# METALETTER

## **Metal Trades Department • AFL-CIO**

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# Highlights From the 69th Metal Trades Convention

elegates to the 69th Metal Trades Convention re-elected

Ron Ault to a third full term as President, welcomed the

Laborers back as MTD affiliates, and changed the term of

office of the MTD President to five years to coincide with terms of office

of the majority of the Department's affiliates.



Delegates and guests of the 69th Metal Trades Department Convention

Delegates to the Metal Trades
Department's 69th Convention re-elected
Ron Ault to a third full term as President,
along with 10 incumbent members of
the Department's Executive Council.
The Convention also acted to welcome
the Laborers International Union as an
affiliate, expanding the Executive Council
by one position and electing LIUNA
General President Terry O'Sullivan to
that post. LIUNA re-affiliated with the
Department earlier in the year.

President Ault reported that the

Department enjoyed significant progress on several fronts in the days leading up to the Convention. "Nothing comes quickly in the labor movement, but patience and hard work often pays off in the long view," he said.

Ault pointed to developments at Avondale Shipyard, where a combination of public and private investment promises to open up vast new opportunities for the shipbuilding industry after decades

Continued on page 4

## **Keynote Speaker Mark Ayers**

Building
Trades
President
Mark Ayers
delivered
a rousing
keynote, calling
on delegates to
"stand up" to
the threat of corp



Mark Avers

the threat of corporate money and Wall Street greed.

He said the spread of demonstrations by activists engaged in various Occupy efforts in cities across the nation is a "glimmer of hope" that "working Americans can reclaim our democracy."

The Convention's Credentials Committee issued delegate credentials to 94 representatives of local councils, district councils and international unions. In all, there were an additional 300 or more guests in attendance.

In his introductory remarks to the opening session, President Ault reviewed highlights from the past four years, noting that the Metal Trades was at the forefront of the battle to derail the onerous National Security Personnel System that would have stripped away the bargaining rights of the bulk of federal workers within the U.S. Department of Defense. He credited former New Hampshire Congresswoman Carol Shea Porter for leading the charge.

The NSPS experience, as with all the challenges facing the Metal Trades and the workers it represents, carries one overarching message, Ault said: "We never give up."

## American Feeder Lines Unveils Plan for Short Sea Shipping

merican Feeder Lines.

(AFL), based in Boston, MA, has requested that the Metal Trades and the Maritime Trades
Departments, AFL-CIO, support its petition for a waiver of the Jones Act. AFL has been granted official American Marine Highway status from the U.S. Department of Transportation for the development of coastwise feeder and domestic marine freight services. AFL intends to operate a Jones Act Short Sea Feeder container liner service on the U.S. East and Gulf Coasts for international container lines, shippers, and trucking/logistics companies.

The waiver request would allow AFL to use its four foreign-built ships to deliver cargo within the U.S. while another 10 short sea shipping vessels are under construction in U.S. shipyards. AFL is negotiating with Huntington Ingalls to possibly have those ships built at Avondale. At the same time, AFL is looking at possibly having some of its vessels built by Aker Philadelphia.

AFL has committed to taking its foreign vessels out of U.S. service as soon as U.S.-built ships become available.

Delegates to the Metal Trades 69th Convention declared support for the American Marine Highway plan and adopted a resolution that said, in part, "[T]he U.S. needs a manufacturing strategy. Part of that strategy falls in line with the Marine Highway Program. Roads and railroads are over capacity now and the U.S. isn't manufacturing nearly what we did during the period after WWII."

The American Marine Highway will enable the U.S. to "create and sustain jobs, reduce traffic congestion and wear and tear on roads and bridges and provide an environmentally sustainable transportation system that requires less energy and reduces greenhouse gases," the resolution declared.

# **American Marine Highway Program and Shipbuilding**

In 2007, the Marine Highway initiative was passed requiring the Secretary of Transportation to "establish a short sea transportation program and designate short sea transportation projects to mitigate surface congestion."

"For too long, we've overlooked the economic and environmental benefits that our waterways and domestic seaports offer as a means of moving freight in this country," said U.S. Department of Transportation Secretary Ray LaHood.

America needs shipyards and shipbuilding. Post World War II there were more than one million shipyard workers. Today there are less than 200,000 shipyard workers. Of the six remaining major shipyards in the U.S., two are looking at an uncertain future: Avondale is threatened with closing, and Aker in Philadelphia is in the final stages of building commercial ships to be purchased by the state of Pennsylvania. The future is bleak for all six yards unless new commercial business emerges. Currently, almost all, commercial work is completed offshore. America's Marine Highway program can be the first step in resurrecting American shipbuilding. The Metal Trades Department and the Maritime Trades Department are backing the Marine Highway Program and see big potential for shipbuilding jobs, mariners and a long-term effect on adding manufacturing jobs in the U.S.

In April 2010, the U.S. Department of Transportation unveiled the new initiative to move more cargo on the water rather than overcrowded U.S. highways and railroads. The "America's Marine Highway" program is designed to identify rivers and coastal routes that could efficiently carry cargo, bypass congested roads and reduce greenhouse gases.

Under the plan, regional transportation officials will be able to apply for specific transportation corridors. Each of the designated projects will receive preferential treatment for any future federal assistance from DOT or the Department's Maritime Administration (MARAD).

The project currently has \$58 million in grants to support start-up or expansion of Marine Highways services, awarded through DOT's TIGER grants program. Congress has also set aside an additional \$7 million grants which MARAD will award later this year.

#### Mississippi HI Shipyard Cited by OSHA

The Occupational Safety and Health Administration has cited a Pascagoula, shipyard for 50 safety violations and has proposed penalties of \$176,444.

OSHA officials said in a news release that the penalties against Huntington Ingalls Industries and five subcontractors come from a June inspection after receiving a complaint about safety hazards.

Huntington Ingalls was cited for violations carrying penalties of \$166,300. The violations included blocked exits, tripping and fall hazards, allowing lead, arsenic and cadmium dust to accumulate in a lunch area, and the dispensing of flammable liquids in improper containers.

Five subcontractors were cited for violations that included improper handling of compressed gas cylinders and other safety and electrical hazards.

## A Peek at Avondale's Future

With the fate of Avondale and the future of the U.S. shipbuilding industry intertwined, the Convention provided a platform for Keith Maddox of the AFL-CIO and financier Percy Pyne IV, CEO of American Feeder Lines, to discuss how efforts to save Avondale and launch the American Marine Highway are part of a larger strategy that will create jobs, revive shipbuilding and serve the nation with green, efficient maritime transportation that can ease the burden on U.S. highways and rail service.

Maddox, the assistant to AFL-CIO President Rich Trumka who directs the Federation's Strategic Campaign unit, explained how the initial efforts to secure more Navy work for Avondale ran into a roadblock with shrinking Defense budgets and reduced demand for Navy ships. As the campaign evolved, the AFL-CIO and the Metal Trades Department concentrated on building community support to keep the shipyard running and building ships to protect some 12,000 direct and indirect jobs that pump more than \$2 billion into the Gulf Coast region. The rise of the American Marine Highway provided the perfect opportunity to transition Avondale into commercial shipbuilding, but only if labor and business could

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Ronald Ault, President

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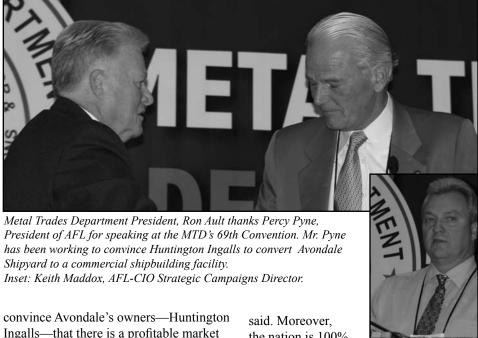
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Greg Kenefick, editor

greg@kenefickcommunications.com



Ingalls—that there is a profitable market for commercial ships, Maddox said.

Saving Avondale is more than keeping one shipyard open, Maddox stressed, adding: "Commercial shipbuilding in this country is huge, not only for shipbuilding, but for manufacturing, for the transportation trades, the maritime trades, the construction trades. Ports have to be updated, all kinds of construction opportunities, manufacturing..."

"Can we save Avondale? Can we save shipbuilding? I guess that's kind of on us....This is something that's well worth fighting for," he said.

The business point of view isn't much different than labor's, said American Feeder Line CEO Percy Pyne. "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 will preserve what has already been built and given to us," he said.

Pyne related how his company had bid with the Department of Transportation to participate in the American Marine Highway, following up by meeting with the Metal Trades Department reinforcing his belief that American labor can build ships in the United States. While Americans spend 17.6 percent of their personal income on transportation second only to housing and ahead of food—few recognize the urgent state of the U.S. transportation infrastructure, Pyne the nation is 100% reliant on foreign shipping to move

imports and exports. Within two years, the expansion of the Panama Canal will sharply raise the level of foreign shipping in and out of the U.S. "If you don't think that's a problem, I do" Pyne said.

America's geography provides an easy solution to the growing transportation crisis, he noted. "We have the largest, most diverse and best developed coastal and river system in the world. We are the largest economy. Ninety percent of the population of the United States lives within 150 miles of navigable waterway. The U.S. marine highway was the development pattern and the thoroughfare of our ancestors, Pyne said. Until 1956, 50 percent of all domestic trade was carried by water. Today, that is less than 2 percent. That transition followed the creation of the U.S. interstate system, but today, he added, the "construction of one mile of urban highway costs between \$20 million and \$50 million."

The shipbuilding workers of the Metal Trades Department are vital to this plan and the U.S. can recapture leadership in the commercial shipbuilding industry if the nation has the political will to try, Pyne explained. To get that done "will require risks and commitments....But not to control our coasts is insanity. It's not a matter of national security only. It's a matter of economic survival."

## 69th Convention Roundup



#### Continued from page 1

of decline. He was alluding to an infusion of more than \$500 million in federal and state money that the Department has helped stimulate by lobbying and galvanizing the community to hopefully transition the shipyard from Navy shipbuilding to construction of new commercial vessels. Additionally, serious private investors are in talks with the shipyard to begin building a series of Jones Act vessels to launch a short sea shipping service on U.S. waterways.

Ault also noted that the Department is "very close" to culminating work on behalf of former nuclear workers who have been struggling to win compensation for illnesses they contracted due to exposure to toxic and radioactive materials.

He thanked delegates and Metal Trades Councils for the support and energy they provide to press these and other campaigns.

ULLICO CEO Ed Smith, explained the various ways that the all-union-owned ULLICO provides safe investments for union pension funds and generates jobs for union workers.

Over 32 years, Smith said, ULLICO has provided investment returns averaging 7.5 percent for the pension funds enrolled in it while ULLICO's "J for Jobs" program has generated 600 billion work hours for union craftsmen.

ULLICO offers a "double bottom line" for its union owners, "a good return for our investors and we put people to work," he said. In just the past 18 months, Smith noted,



ULLICO has funded \$1.4 billion worth of projects and kept union craftsmen working on every commitment we made."

Smith also pointed out that ULLICO's commitment to create jobs goes beyond Building Trades workers. A project that ULLICO funded earlier in 2011 for a Marriott Hotel, for instance, included a pledge from Marriott to a neutrality agreement and card check recognition for the hotel's staff. When Smith went

to the ribbon cutting ceremony he learned that indeed Marriott had honored the agreement, recognized the union and was in the process of negotiating with UNITE HERE for a first agreement.

Smith said ULLICO is doing much the same thing—providing strong returns and creating good union jobs with its other key funds: the Work America Fund and ULLICO's Infrastructure Fund.



Admiral Kevin McCoy

Naval Sea Systems Commander Admiral Kevin McCoy extended the Navy's appreciation for the work done by MTD-represented workers in the Navy's four shipyards—Puget Sound, Pearl Harbor, Portsmouth, NH, and Norfolk.

"The Navy cannot sail without what you do every day," McCoy said. He predicted NAVSEA's workload would continue to be heavy over the next decade, noting: "Every day of labor for the next 10 years has been accounted for."

McCoy expressed concern over the aging of the NAVSEA workforce, even as the activity hires at a rate of 2,000 new

workers a year. As the command replaces experienced workers with younger ones there is concern that safety might take a back seat.

Additional concerns arise out of the shrinking DOD budget and how that will affect NAVSEA operations. McCoy predicted a 9 percent budget cut over the next 10 years—the dollar equivalent of the entire Navy shipbuilding budget.

He said the critical supply chain for components and parts is also teetering on the brink of disaster. Because NAVSEA spends 25 percent of the Navy's budget, it's also a natural target for budget cutters, he warned. McCoy repeated the challenge to shipyard councils to squeeze one more hour a day of productive work from craft workers to meet productivity goals.

Ironworkers General President Walter Wise congratulated and thanked the Metal Trades for leading the fight to save





Walter Wise

Avondale Shipyard in New Orleans. Wise reminded the political establishment that it is labor that produces for America. "That's what they forget: we do the work...and we are proud of what we do," Wise said. He skewered the conservatives who "put profit before people," and vowed that Ironworkers will stand "shoulder to shoulder with you" in the face of mutual enemies.

Echoing a similar theme, **Operative Plasterers & Cement Masons President Pat Finley**, declared: "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 backsides and get good hardworking Americans back to work."

#### Boilermakers President Newton Jones picked up on the notion of labor using its various pension and health



Patrick Finley

and welfare funds to pursue job-creating policies. He pointed out that the Boilermakers' Brotherhood Bank—with \$500 million in deposits and \$6 billion in trust assets—has been in operation since 1924. It is one of only three union-owned and fully unionized banks in the nation.

"If you look at what the labor movement has...three trillion dollars in trust funds that are currently housed on Wall Street... funds that are enriching the enemies of labor," Jones said, "we see the opportunity for the labor movement itself to bring its funds back under one roof, away from Wall Street and doing the best it can for those of you who work hard, every day, building America."

#### IAM International President Tom Buffenbarger

congratulated convention delegates "for keeping the spirit of solidarity alive and well, and thriving, in the most divisive times of our generation." He described the tough fight at the National Labor Relations Board that the Machinists had been going through with Boeing (an issue which has since been settled) which, he noted, "will expose the real corporatism going on in America today."



Tom Buffenbarger

Speaking on behalf of the **Insulators**, **President James Grogan** urged the

delegates to lend their support to the drive to defeat then pending anti-labor legislation in Ohio. (Labor did prevail in that fight.) Getting involved in Ohio he said, "is the most immediate thing we all can do to show where we're at...we need to show everybody where we stand."

NFFE President Bill Dougan delivered a call to set the record straight about the contributions that federal workers make to the welfare of the nation and its citizens. He condemned the ongoing attack on federal workers and efforts by the right wing to pin the blame for the federal deficit on government employees.

"Labor is being asked to give back hard earned benefits that made it possible for our members to earn a living wage and provide for their families through their working career and



Bill Dougan

into their retirement. We've seen the attacks at the very core of what it means to be union, attacks on our right to collectively bargain," Dougan said.

The response should not be a surrender, he said, labor must "continue to build membership and organize...Our very survival depends on our ability to grow" and cultivate a new generation of leaders.

## **Committee Reports**

#### **Maritime Committee**

- Newton Jones, Chair
- Ed Kuss
- Paul O'Connor
- Harry Thompson
- Dennis Phelps

The shipbuilding industry is vitally important to the safety and security to the United States. Shipyards provide the mobilization base for future military and humanitarian buildups, employ people in nearly all 50 states and are proven technical training facilities for youth and minorities in a host of related industries.

U.S. shipyards continue to experience low rates of ship production, while foreign ship builders in China, South Korea, Japan and other nations have surged ahead. The U.S. Navy fleet stood at 286 ships in 2010. According to Navy Secretary Ray Mabus, the Navy is committed to averaging 10 new ships per year, reaching a 320 ship fleet by 2020.

Meanwhile, commercial ship orders from U.S. shipyards remain depressed. Faced with diminished orders and the economic downturn, many U.S. shipbuilders have been forced to slash their workforce, and re-engineer the way in which they design and build ships to enhance productivity and reduce costs. Even so, domestic shipbuilders continue to design and construct some of the most technologically advanced ships in the world.

In consideration of these severe challenges facing the U.S. shipbuilding industry, the Maritime Trades Committee has the following recommendations for the Metal Trades Department:

One, the committee recommends that the Metal Trades Department support both the Jones Act and the Passenger Vessel Services Act, which support our economic and national security by sustaining an American shipbuilding industry to produce ships for commerce and defense.

**Two**, the committee recommends that the Metal Trades Department support the Title 11 Ship Loan Guarantee Program, which finances construction for commercial and militarily useful ships and ultimately supports our industrial base and employs a highly skilled workforce.

Three, the committee recommends

that the Metal Trades Department support strict enforcement, through legislative and other actions, to strengthen the Buy American Act, so the good paying jobs in the defense and the shipbuilding industrial base in the United States are protected.

**Four**, the committee recommends that the Metal Trades Department demand congressional action to restrict federal funding for any leases of foreign built ships to no longer than two years, and to provide advanced funding to procure American ships to replace those currently under lease agreements.

In support of these recommendations, the committee has drafted the following resolution:

Whereas the Buy American Act statutes contained in Title 11 U.S. Code, require that products such as ships, steel, and other major components and systems for the Department of Defense be manufactured in the United States, the Jones Act and the Passenger Vessels Services Act, which require the use of vessels that are built in the United States, and Title 11 Ship Loan Guarantee Program, which provides financing for small and medium ship owners for the construction of commercial and military useful ships.

And whereas the strict enforcement and strengthening of these laws in supporting regulations will save and create highly skilled, good paying jobs for union workers in the United States.

And whereas the jobs created and sustained by these laws will strengthen the defense industrial base of the United States, and stimulate economic growth for the country.

And whereas there have been an increasing number of legislative and regulatory attempts to repeal or amend these laws to the detriment of the American worker and the defense industrial base of the United States, and whereas long term leasing of foreign built ships does harm to the U.S. shipbuilding industry, American workers, U.S. businesses and the military industrial base.

Now, therefore be it resolved that the Executive Council of the Metal Trades Department demands the strict enforcement of the spirit and intent of the



Newton Jones

Buy American Act, U.S. manufacturing laws governing the Department of Defense, the Jones Act, the Passenger Vessels Services Act, and Title 11 Ship Loan Guarantees Program, and oppose any and all attempts to amend or repeal these laws.

And resolved that the Executive Council of the Metal Trades Department demand that the U.S. Navy be required to observe the strict lease of no more than two years per ship, and resolve that the Executive Council of the Metal Trades Department promote, as appropriate, the expanded use of the U.S. marine highway.

And be it further resolved that upon adoption of this resolution, that it be sent to the Executive Council of the AFL-CIO for adoption.

#### Legislative Committee

- Jimmy Williams, Chair
- Bill Legrand
- Larry Mazzola, Jr.
- Art Cantu
- · Frank Cyphers
- Damien Kim
- Ernie Ordonez

The Convention's Legislative Committee said the Metal Trades should do everything we can to get the impediments facing President Obama's jobs bill put aside.

The committee further noted that deficit reductions must be spread evenly across-the-board and not on the backs of the poor, the elderly, the disabled or American working people.

The committee stressed that labor must be vigilant about deficit actions "because

a lot of what is going on is going to be behind closed doors" and communicate what's happening to union members.

The committee also called for full funding for programs that provide training and education for returning military personnel. Veterans should not have to come back to find no jobs, no health care for their families "after what they have done for us."

Furthermore, the committee said, the Metal Trades must guard against efforts to cut funding for the operations of the National Labor Relations Board.

Finally, the committee recommended and delegates agreed that the Metal Trades Department should support President Barack Obama for re-election.

#### **Health and Safety Committee**

- Gary Allen, Chair
- Ben Toyama
- Charlene Burt
- Greg Villanova

Whereas Health and Safety is the utmost priority for the protection of our members, and whereas each of the international unions involved with the Metal Trades Department has a health and safety department that assists in the training of our members to work safe in the workplace;

Therefore be it resolved that the Metal Trades Department support efforts such as the Voluntary Protection Programs, VPP, and training facilities such as the ICWUC Health and Safety Training Center in Cincinnati, Ohio, to protect our members in the workplace, and resolve that the Metal Trades Department support efforts to restore federal funding for the above programs.

#### **Organization Committee**

- Joseph Sellers, Jr., Chair
- Warren Fairley, Co-Chair
- Lynn Tucker, Jr.
- Quintin Jones
- Jim Payne
- Mike Crawley
- Brent Hall
- Don Bongo

Delegates approved a report by the Organizing Committee to the Convention, affirming the MTD's "commitment to organize large industrial units," and urging Metal Trades Councils

representing military units to work with the Department's general representatives to identify organizing prospects and develop targets. The committee said the Department should continue to lobby for passage of President Obama's jobs bill and support the Marine Highway initiative to further expand organizing opportunities within the Metal Trades.

"Preserving jobs that are already union is also a form of organizing," the committee concluded.

Tony Walencik

#### **Rules Committee**

- R. Thomas Buffenbarger, Chair
- Ed McHugh
- Mike Culpepper
- Gary Moore, Jr.
- Steve Jones
- Rebecca Luce

#### Credentials Committee

- Larry Holbert, Chair
- Gordon McLeary
- Mark Van Zevern

#### **Audit Committee**

- Tony Walencik, Chair
- Dennis Phelps
- Charles Johnston, Jr.

#### **Resolutions Committee**

- Patrick Finley, Chair
- Warren Mart
- Tommy Fisher
- Joe Standley

- Dave Molnaa
- Rich McClees
- Steve Beal
- Bill Courtien

#### **Constitution Committee**

- Walt Wise, Chair
- Warren Fairley
- Bill Borchert
- John Tippie
- Robert Martinez, Jr.
- John Taylor
- Lynn Lehrbach

#### **Report of Officers**

- James McCourt, Chair
- Ed Witkowski
- Clarence Rashada
- Jeff Owen
- Scott Murphy
- Phillip Venoit



Delegates to the 69th Convention heard from Naval Sea Systems Commander Admiral Kevin McCoy and Carol Waller Pope, Chairman, Federal Labor Relations Authority.

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Phone: (202) 508-3705 Fax: (202) 508-3706

### **MTD Welcomes New General Representative**



MTD President Ron Ault welcomed General Representative John Barry to the MTD staff. Barry is replacing Jim Seidl who retired in December.

Metal Trades Department
President Ron Ault welcomed
newly-appointed Metal Trades
Representative John Barry to his
first day on the job January 3rd as
the Metal Trades Representative,
replacing Jim Seidl, who retired
effective December 31st. Barry
comes to the Department from
the International Union of
Operating Engineers where he
was responsible for national level
collective bargaining, organizing
and training. In that capacity, he
developed training curriculum for

IUOE local union staff. He also served as assistant director for the IUOE's Stationary Affairs Department for the past eighteen years. John is a 28-year member of IUOE's Washington, D.C. Local 99 where completed his apprenticeship to become a licensed stationary engineer, moving through the ranks to become a chief engineer. John was an apprenticeship instructor for Local 99 for three years and served on the local's executive board and as business agent.

John holds an undergraduate degree from the National Labor College and earned a Masters Degree from the University of Massachusetts in Union Leadership and Administration.

Jim Seidl retired December 31st. Seidl joined the Metal Trades staff in 2005 after more than 40 years in various capacities with the International Association of Machinists—including a stint as Director of the IAM's Government Employees' Department.



MTD friends and faimily bid General Representative Jim Seidl farewell at a small gathering in December. Jim officially retired on December 31, 2011

## Pascagoula Pact Approved

### Hourly Wage Increases Total \$1.90, Plus COLAs

Employees at Huntington Ingalls shipyard in Pascagoula on Thursday approved a three-year contract extension for the 6,000 workers represented by the Pascagoula Metal Trades Council and three other local unions.

Boilermakers Vice President Warren Fairley, who served as the chief negotiator for the Metal Trades, reported that the new pact provides a \$1,000 lump sum cost-of-living adjustment, along with hourly wage increases on the journeyman base amounting to .60 on Jan. 9, 2012, .60 on March 11, 2013 and .70 on March 10, 2014. These increases are in addition to lump sum COLA increases each year.

With the exception of health care premium increases for active workers and retirees, all other aspects of the contract—holidays, discipline policies, work hours and overtime policies—will remain the same for the next three years.

The contract also applies a "me too" clause for Metal Trades workers in New Orleans providing similar percentage pay raises and some additional health care costs changes to that unit as well.