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FALL 2010

ups**TEAMSTER**

A Magazine for Teamsters at United Parcel Service

Fight For Those Who Fight For You

Teamsters Urged To Support Politicians
Who Care About Working Families





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Harnessing Union Power

FedEx spent a mind-boggling \$11.6 million on lobbying in the first six months of 2010 compared with \$6.1 million during the same period in 2009. Why? Because FedEx, like so many other companies, operates on the premise that the bottom line matters more than workers' rights.

We have something more valuable than lobbying dollars. Our strength lies in our membership—1.4 million rank-and-file members of the most powerful union in the world. Nothing speaks louder to members of Congress than a strong and united group calling for them to support certain issues.

We are grateful to the lawmakers who have recognized that our battle for good-paying jobs with good benefits, a secure retirement and the right to form a union are essential to keeping our economy strong.

We will continue to support the lawmakers that are on our side and we'll work hard to convince those not yet standing with us that there is something more important than having a big campaign war chest.

Good-paying jobs with affordable health care and a secure retirement are pillars of the American labor movement. These jobs should be a right, not a privilege, for all Americans.

We have asked you before to step up to the plate, and you have. You have seen how



strong we can be when we work together. You have been instrumental in the past in helping out on various Teamster campaigns and drives. Now, more than ever, we all need to stand together with one voice.

Nobody is fighting for America's working families as much as unions. When unions are under siege, the middle class is under siege. And the middle class is under siege in a very big way right now. The gap between rich and poor is widening. Real wages are stagnant, the costs of health care and tuition are through the roof and jobs are still leaving our shore. Millions of families are falling out of the middle class.

Our voices and votes are more effective than FedEx's money. Let's harness our power this November and elect lawmakers who will help us.

Ken Hall

Support
Worker-Friendly Politicians

Congress. Together, we can work to achieve this power.

We constantly battle wealthy corporations only interested in the bottom line. We can't let their money influence elected officials.

There is one thing that can trump easy money: votes. Every politician knows that votes are what matters on Election Day, not how much money they raised.

When you cast your votes this year, remember that America was the first country ever where a majority of its citizens joined the middle class. Labor unions created that middle class. No country in the world has ever had a strong middle class without a strong labor movement.

Middle-class prosperity wasn't a gift to working families from the government. It wasn't something that workers got from employers after pleasant chats in the boardroom. Middle-class prosperity was the direct result of a long and difficult struggle. People fought and died for fair wages, safe workplaces and the right to join together in a union.

We still have to fight to get a fair shake. We will lose everything that we have gained if we don't.

So come November, remember to get out there and help elect politicians that will help our great union grow stronger and fight for the causes we believe in.

James P. Hoffa

Express Carrier Legislation and Why Politics Matters

“Why does my union get involved in politics? Shouldn’t we stick to issues that concern our members?”

Teamster leaders are often asked this question, and the years-long struggle to pass an FAA Reauthorization bill that includes the Express Carrier Employee Protection Act, in many ways, provides the perfect answer.

As we have reported previously, once again, at press time, the U.S. Senate had extended the Federal Aviation Administration (FAA) Reauthorization bill. This is the 15th extension of the existing bill, which was set to expire in 2007. The Teamsters continue to press Congress to include these measures in the final bill.

UPS Teamsters understand that organizing new members positively impacts bargaining. They also understand that if Teamsters expect to continue to make improvements in UPS contracts, it is imperative that the entire industry be organized. Organizing FedEx is a priority for the union, yet many barriers exist to

simply going out and signing up UPSers’ counterparts at FedEx Express. One enormous barrier, the fact that the FedEx Express driver and sorters are currently covered under the Railway Labor Act (RLA), a loophole that makes it almost impossible for FedEx Express drivers to organize a union. This loophole can only be closed through the legislative process, and success will depend upon allies in Congress, people who will stand up to FedEx President and CEO Fred Smith and his army of lobbyists.

“Throughout the time that UPS Teamsters and FedEx Express mechanics have been diligently working to get the Express Carrier provision included in the bill, they’ve been bolstered by the unwavering support of legislators like Rep. Jim Oberstar of Minnesota and Sen. Harry Reid of Nevada,” said Ken Hall, Package Division Director. “But even with that support, Republican Sens. Bob Corker and Lamar Alexander—not coincidentally from Fred Smith’s home state of Tennessee—have managed to continue to

jam all of our efforts to level the playing field in the package-delivery industry.”

From January to June, FedEx spent \$11.6 million in lobbying. Of that total, FedEx spent \$7.04 million from April 1 to June 30 to keep the Express Carrier provision out of the FAA Reauthorization bill.

“I’m certain that FedEx employees would prefer that the company spend some of that money on restoring their pensions and improving health care benefits,” said Jim Hoffa, Teamsters General President.

Companies like FedEx will always have more money to spend than unions. But that money doesn’t take away the power that Teamster members have at the ballot box to support politicians who stand behind workers. Teamsters never back down and aren’t giving up on the work to put an end to the special status that FedEx has enjoyed.

For more information on Teamster efforts on this legislation, visit www.FedExDriversArentPilots.com.



UPS Workers in Canada Ratify New Contract

UPS drivers and dockworkers in Canada have overwhelmingly ratified a new contract by more than 83 percent that guarantees wage increases and significant enhancements to the pension plan.

The five-year contract went into effect Aug. 1 and expires on July 31, 2015. Teamsters Canada represents about 5,600 UPS drivers and dockworkers.

“I believe that this represents the best collective agreement that our respective parties could possibly negotiate,” said Val Neal, Director of Teamsters Canada’s Parcels and Small Packages Division. “Together, we have built a solid foundation for the future.”

Neal said one of the contract’s highlights is that language was modified that strikes out the 30-year pension cap. The denominator was increased from \$56.50 past service to \$78 future service effective Jan. 1, 2011. Some of the other highlights include:

- New language that requires the company to reduce excessive overtime when requested by the employee, and other issues concerning hours of work;
- An increase in starting wages for all new hires;

- A total increase in wages of \$2.80 per hour over the five years; and
- A \$500 signing bonus for all full and part-time workers as of the date of the contract ratification.

The agreement was reached over about four weeks of negotiations. Neal said rank-and-file members were given the opportunity to play an active role in the bargaining process, which resulted in the overwhelming ratification.

“Workers employed by small parcel delivery companies who are represented by the Teamsters definitely benefit from better conditions than their nonunion peers,” said Robert Bouvier, President of Teamsters Canada. “A company’s success depends on its human capital, and our organization is the only one able to defend workers’ best interests.”

Neal said he was grateful for all the hard work put into the negotiations by Teamsters, especially the work of Stan Hennessy, International Vice President and President of Local 31 in Vancouver, British Columbia; and Assistant Parcels and Small Package Division Directors Gerry Boutin and Kelly Gorzen.





A Jewel of the Community

UPS Driver Honored by Obama for Volunteerism

UPS Teamster Ernie Coney has been delivering the spirit of volunteerism to his local library for 20 years. This spring, Coney was named one of the winners of President Barack Obama's Volunteer Service Award for his efforts.

UPS also awarded Coney its James E. Casey Community Service Award this year. Coney, a 20-year driver in the Tampa, Fla. area, takes it all in stride.

"I was raised to give back to the community, and that's why I do this," said Coney, a member of Local 79 in Tampa. "My mother was a single parent but none of the kids got into trouble. That was not an option. We were taught from a young age that being a good citizen means being a good member of your community."

Obama and UPS honored Casey for the work he does with the Friends of the

James Weldon Johnson Library in St. Petersburg. Twenty years ago, the city was set to close the library because of budget cuts. Coney and local activist Kevin Johnson collected 1,500 petitions and the library was kept open.



Hard Work Pays Off

That was the easy part. The library was just a room in the Enoch Davis Center at the time.

"The library was basically a large reading room and that was it," Coney said. "And people were hesitant to go in because it was surrounded by rundown houses and crack houses."

So Coney and other members of the Friends of the Library group started to get the word out to the community that the library was a diamond in the rough. With some donations, they were able to expand the library, buy more books, typewriters, then computers and printers.

Last year, UPS gave Coney \$17,000 to continue literacy programs at the library. And best of all, the Friends of the Library group was able to buy up the land surrounding the library, tearing down the

rundown structures.

"You should see it now," Coney says proudly. "The library is crowded now. The computer lab is always full. There are kids in there reading and the community rooms are always full. It's a jewel for our community."

'Shining Example'

Ken Wood, President of Local 79, praised Coney for his longtime volunteer service.

"Here's a guy who works hard all day and still has time to give back to the community," Wood said. "Ernie is a shining example for all of us."

Tyna Middleton, who was the director of the Enoch Davis Center when Coney first started volunteering, credited Coney and Johnson for saving the library.

"They worked tirelessly. They were adamant," Middleton told the Tampa

Tribune in a newspaper article published in June about Coney's award. "They put their time and energy and I would even say their money into it."

Coney Family Tradition

The spirit of volunteerism runs in Coney's family. His cousin, Ernest Coney, was recently honored for his work with the YMCA in Tampa.

Coney's wife runs a local program called "Destination Graduation" that keeps kids on track to graduate from high school.

Coney's oldest daughter lives in Atlanta and works for a company that helps high school kids plan for successful careers.

His middle daughter is the director of a day school and works with kids in the community and his youngest daughter is in college.

Ongoing Work

Coney still goes to the library at least twice a month since work is still ongoing. The Friends of the Library group has recently organized a spelling bee and a countywide scholarship contest. And they plan on adding a tutoring program.

Coney says he had his mother and his uncle to rely on to keep him out of trouble and encourage him to get an education so he could get a good job. And that's what he hopes the library and its volunteers and staff will do for community kids.

"The library is more than just a building with books," Coney said. "It's a place where kids can come and learn about what the world has to offer. When I come in here and can't even use a computer in the lab because it's full, it makes me happy, not mad."

LONGTIME DRIVER FOR BROWN RUNNING TO KEEP A MICHIGAN DISTRICT BLUE



GARY MCDOWELL is the Leading Vote-Getter in the District

Making fun of a UPS driver is no way to win an election. Gary McDowell's Republican opponent learned that lesson the hard way back in 2006. The Republican ran a campaign commercial mocking McDowell, a first-term state representative, because he'd worked 33 years as a UPS driver.

The first commercial showed a bobble-headed McDowell stumbling around in his brown uniform. Another showed him in his truck hauling money from Michigan's Upper Peninsula down to Detroit.

"The first day they had it, my wife was so furious," said McDowell, a 33-year UPS driver. "I said, 'Honey, we just won the race.'"

The next day a little old lady came up to McDowell and said, "That commercial made me so angry, they think because you drive a UPS truck you're not smart. They're making fun of a person who worked hard all his life."

Sure enough, McDowell won re-election to Michigan's 107th House District.

Looking to the Future

Now in his third term as a state representative, McDowell is hoping to take his work ethic and his long record of

looking out for working families to Washington, D.C. He's running for Congress in Michigan's 1st District, from which Rep. Bart Stupak is retiring. McDowell has a good chance of winning.

"All my opponents are looking back," McDowell said. "They want to go back to where we were two years ago. I can remember two years ago. We were in freefall, losing 700,000 jobs a month, Chrysler and GM going into bankruptcy. My opponents want to be a right-to-work state, they want to do away with prevailing wages, they want to lower our standard of living.

"Michigan and the country need middle-class jobs," he said. "In Michigan, we have core industries like timber, mines, agriculture. We need to focus on these types of jobs to build the middle-class jobs that have made America great."

If and when McDowell gets to Congress, his priorities are clear: enacting the Express Carrier Employee Protection Act, preventing the misclassification of workers and creating jobs.

"I'm always looking out for working families," McDowell said. "That's where I came from, that's who I am, that's what I'll do."

The soft-spoken McDowell was born on a hay farm in Rudyard, Mich., the oldest of 10 children. He still grows hay with his brothers on the family's thousand-acre farm on the Upper Peninsula. He and his wife Carrie have three daughters, Alivia, Emily and Rochelle.

Experience

He also served on the Chippewa County Board of Commissioners for 22 years, including four as board chairman. He was a trustee of the local hospital for 25 years. He was a volunteer firefighter and a volunteer EMT. For a while, the ambulance crew consisted of him, his wife, his brother and his brother's wife. "We couldn't leave the community from 6 to 6," he said.

As state representative, he chairs the \$13 billion community health budget, which includes Medicaid and other health care services. His experience convinced him to support the federal health care reform enacted in March.

"It's a step in the right direction," McDowell said. "The present system is unsustainable because so many people are locked out of it. The only way we're going to control costs is to give health care to everyone."

Getting to Know the Community

McDowell's job driving for UPS was excellent preparation for the grueling business of running for Congress. As a UPS driver he met many of his constituents.

"They like the UPS driver and they respect the UPS driver," he said. "They look forward to seeing them. You're bringing them something."

Dealing with so many people as the face of UPS gave him confidence when asking for votes.

There's also a lot of driving involved. The congressional district—the largest east of the Mississippi—stretches from the Canadian border down to the Bay City limits.

And, he laughs, "You learn how to handle the dogs. I have my little treats with me. And if you go to the wrong door, they know you're not a friend."

Finally, there's the frenetic pace.

"It's kind of like Christmas at UPS," he laughed. "Every day is a sprint. You're overwhelmed, but you've got to do it and you've got to do it right."



FIGHT FOR THOSE WHO FIGHT FOR YOU

All politicians claim they'll fight for working families, but only some who talk the talk actually walk the walk. Most are too beholden to big corporate donors to really make a difference for ordinary Americans.

Working people had high hopes for the 111th Congress. With a large Democratic majority, it was anticipated that lawmakers would pass the Employee Free Choice Act. The Express Carrier Employee Protection Act, part of FAA Reauthorization, has yet to become law despite the hard work of Minnesota Rep. Jim Oberstar. Washington Sen. Patty Murray worked hard to prevent layoffs through aid to

the states and has been a strong voice against Mexico's retaliatory tariffs.

There have been some victories over the past two years. And things could be much, much worse. Studies show that unemployment would be far higher without the steps that President Obama and Congress took to stimulate the economy. The non-partisan Congressional Budget Office estimates the federal stimulus created or saved 2.5 million to 3.6 million jobs.

But high unemployment has historically caused voters to cast their ballots against incumbents. That's potentially very bad news for men and women like Rep. Betty Sutton, Rep.

Carolyn Maloney, Gov. Ted Strickland, Gov. Pat Quinn and dozens more who resisted powerful corporations to do what's right for working people.

"This will be a very tough election year for all incumbents," said Ken Hall, Package Division Director and International Vice President. "We can't afford to sit on our hands for this election. We need to stand up and fight for the people who've stood up and fought for us."

Should Republicans take back majorities in Congress, the hard-won victories of the past few years could turn to defeat. Social Security is already being attacked by corporate funded think tanks and billionaires who hate the idea of retirement security for working-class families.

"Under Republican proposals, we'd lose tens of thousands of jobs in this country," said Gary McDowell, a retired 33-year UPS driver running for Congress in Michigan's First Congressional District.

Ohio Rep. Betty Sutton's "Cash for Clunkers" program is

an open seat in the U.S. Senate. A strong supporter of labor, she is running against Rep. Roy Blunt, who has consistently voted against Teamster interests.

Pennsylvania Rep. Kathy Dahlkemper, a freshman, is a co-sponsor of the Employee Free Choice Act. A Democrat, she faces a tough challenge in her traditionally Republican district.

Illinois Rep. Phil Hare is a former President of UNITE HERE Local 617. He supports fair trade and a WPA-like jobs program where 80% of the federal expenditures would be directed towards wages.

New Hampshire Rep. Paul Hodes, once a member of the musician's union, has consistently voted with working families. Now he's in a tough race for an open Senate seat.

Ohio Rep. Mary Jo Kilroy is being challenged for re-election because she supported a crackdown on Wall Street.

New York Rep. Carolyn Maloney consistently stands up for consumers against the big banks. She has a primary challenge and may not make it to November.

Teamsters Urged To Support Politicians Who Care About Working Families

estimated to have saved or created about 30,000 jobs and reduced air pollution. The border was closed to dangerous Mexican trucks, due in large part to the efforts of California Sen. Barbara Boxer and Oregon Rep. Peter DeFazio. And credit card issuers are now prohibited from unfair and deceptive practices, while penalty fees are expected to drop soon. That's all because of New York Rep. Carolyn Maloney's "Credit Card Accountability Responsibility and Disclosure (CARD) Act of 2009.

The 111th Congress enacted two major reforms—health care and financial services—that will take several years to be fully realized. If Republicans are in the majority next year, they will most certainly work to destroy these reforms.

Those Who Need Our Support

The following people have all helped working families as elected officials, and they deserve your help. The list is not exhaustive. Some, such as labor stalwart Sen. Tom Harkin of Iowa, aren't running for election this year. Other key allies, such as House Education and Labor Committee Chairman George Miller of California, or House Transportation and Infrastructure Committee Chairman Jim Oberstar of Minnesota, have safe seats.

California Sen. Barbara Boxer, champion of working families, faces a rough re-election fight against a multi-millionaire former CEO. Boxer has worked hard to create jobs and to make sure that they pay fair wages and decent benefits.

Missouri Secretary of State Robin Carnahan is running for

West Virginia Gov. Joe Manchin worked hard to keep jobs in his state and to attract new ones. He has personally intervened to make sure CEOs treat workers fairly. He's running for an open Senate seat.

Washington Sen. Patty Murray consistently supports working families on jobs, health care and financial reform. Her opponent opposes extending unemployment benefits and wants to lower the minimum wage.

North Dakota Rep. Earl Pomeroy is a co-sponsor of a bill to help multi-employer pension plans that's crucial to many Teamsters.

New Hampshire Rep. Carol Shea-Porter is being targeted because of her strong support for the Employee Free Choice Act.

South Carolina Rep. John Spratt is a favorite with local Teamsters and voted with the Teamsters 100 percent of the time.

Ohio Rep. Betty Sutton: Cash for Clunkers wouldn't have happened were it not for Sutton, a true champion of labor and a fierce opponent of unfair trade deals. Sutton faces a tough challenger in Tom Ganley, a well-financed businessman.

Ohio Rep. Pat Tiberi co-sponsored a pension relief bill that's extremely important to hundreds of thousands of Teamsters families.

Freshman Nevada Rep. Dina Titus is under attack from corporate-funded interests despite her hard work to create jobs in her district.

West Virginia's Rep. Nick Rahall has nearly a 100-percent voting record on Teamster issues.

HEALTH CARE REFORM IMPLEMENTATION WILL BENEFIT TEAMSTERS

On March 23, 2010, President Obama signed into law historic health care reform legislation called the Patient Protection and Affordable Care Act. The legislation was a great step towards controlling the skyrocketing cost of health insurance over the long-term and expanding health insurance coverage to millions of Americans who are uninsured.

Millions of previously uninsured Americans will be provided with coverage, and our employers will be more competitive. But even in the short term, Teamsters and their families who have health insurance through their employers will gain from health care reform. Here are a few of the changes that will impact many teamster families starting no later than January 1, 2011 for most plans:

CHANGES TO BENEFITS FOR CHILDREN

Parents will be able to keep adult children on their policy to age 26. The federal government recently issued regulations on this new requirement for employers and insurers.

UPSers' health plans currently offer coverage to employees' children, and now that coverage must be extended to children until their 26th birthday – even if they're attending school or married. One exception is if your child is eligible for his or her own employer sponsored health insurance, he or she may not be eligible for your health insurance.

The plan can't charge more for children based on their age or provide different coverage for children based on age. This means that whatever benefits they are currently getting, must be maintained at the same price until they are 26.

Your plan must provide written notice of the opportunity to enroll not later than the first day of the plan year on or after September 23, 2010, though some plans are making this coverage available sooner.

In addition, insurance companies will no longer be able to deny coverage to children under age 19 with pre-existing conditions.

CHANGES TO LIFETIME CAPS

Everyone hopes that they will have a healthy life, but sadly a worker may find him or herself in need of care when a catastrophic or chronic health issue comes his or her way. Prior to the enactment of the Patient Protection and Affordable Care Act, "essential health benefits" were often subject to annual and lifetime dollar limits. Now, lifetime caps have been eliminated, and annual limits are being phased out.

The effective date for the phase-out on lifetime dollar limits is for the plan year beginning on or after September 23, 2010.

For calendar year plans, such as the plan in which you likely participate with UPS, this means an effective date of January 1, 2011, when the next plan year begins. For non-calendar year plans, the new provision would take effect on the first day of the new plan year that occurs on or after September 23, 2010. This means a plan with a plan year that begins on September 1 would not have to implement this provision until September 1, 2011.

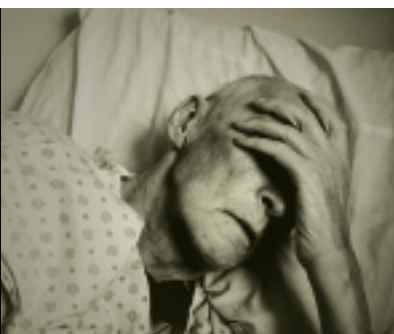
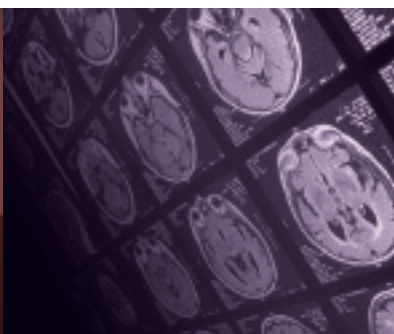
"Essential health benefits" include:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorders, including behavioral health treatment
- Prescription Drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services, including oral and vision care

As for Annual limits, they will no longer be allowed beginning January 1, 2014. "Restricted" annual dollar limits will be allowed prior to 2014 as follows (though plans can apply for a waiver to have lower limits):

- \$750,000 for the plan year beginning on or after September 23, 2010 but before September 23, 2011.
- \$1,250,000 for the plan year beginning on or after September 23, 2011 but before September 23, 2012.
- \$2,000,000 for the plan year beginning on or after September 23, 2012 but before January 1, 2014.

It is important to note that this is a very new law, and the government agencies responsible for implementing it are still determining what the law's overall impact will be on individual benefit plans.



Quarterly National Stewards



Stewards, Union Officials Discuss Pressing UPS Issues



Tele-Town Hall

On July 29, the Teamsters Package Division held its second “Tele-Town Hall” meeting with stewards from across the country.

The first call took place in March, and with the overwhelmingly positive feedback from stewards, Package Division Director Ken Hall decided to make the calls a quarterly event.

The tremendous success and participation in the last teleconference call made it clear that such calls are a simple and effective way of communicating important information to stewards, and gives them the opportunity to provide the Teamsters Union with valuable feedback.

In the first call held in March, nearly 1,000 stewards participated. The call was designed to update all the stewards on developments at both UPS and FedEx.

The call also provided stewards with the opportunity to pose questions to Hall and voice any concerns they had about the contract, such as enforcement of Article 37’s “9.5” language that deals with excessive overtime for drivers who wish to reduce their assigned hours of work.

Stewards welcomed the opportunity to hear first-hand about union issues. Brad Flannigan, shop steward

at Local 396 in Covina, Calif., said many of his members are on the Internet daily, reading about what’s going on with the Teamsters and the company. Flannigan said it is helpful to get news right from Teamster officials so he can disseminate quickly.

As in March, the call was opened up with remarks from General President Jim Hoffa. Hall then proceeded to update the stewards on many of the issues that were brought up in March, as well as address issues that had arisen since then, including varied reports of harassment of workers by management.

Other topics discussed included:

New Member Organizing Program

During the last call, Hall described the details of a program launched by the Teamsters Union to be carried out by local unions to organize new members, primarily in right-to-work states. On this call stewards were informed that, since launching the new member organizing program, more than 3,000 workers have become members of the union.

FedEx

At press time, Senate Republicans continued to hold up the FAA Reauthorization Act, and prevent passage of a bill which includes the Express Carrier language that would level the playing field between FedEx and UPS by putting non-airline employees under the National Labor Relations Act.

“Republicans would rather take Fred Smith’s cash than act in the best interests of their own constituents,” Hall said.

Hall updated the stewards on the latest meetings that he and Hoffa had with people on Capitol Hill, including Vice President Joe Biden and Rep. Jim Oberstar of Minnesota, who chairs the House Committee on Transportation and Infrastructure. Vice President Biden offered his support on the issue, and Rep. Oberstar has been a champion of this and many other labor issues.

22.3 Jobs

Hall noted an arbitrator’s decision dating from 2000, which specified that the 22.3 jobs created didn’t have to be in any specified locations. In an attempt to keep as many jobs in local areas as possible, the company is going to meet with affected locals to try and resolve the issue of 22.3 jobs disappearing. The Teamsters Union is prepared to move forward with grievances if the company does not meet its obligations.

Thus far, many locals have reported that 22.3 jobs have been restored to their areas. Stewards were warned that some jobs which disappeared from their areas may have been moved to other locations.

BASIC

Hall spent some time addressing the issues workers had concerning UPS Basic service, a customer offering that delivers packages to U.S. Post Office destinations.

A meeting of the National Committee was convened in June to explore the growth of BASIC and to make sure that it results in job growth, not job loss. Hall explained that BASIC service was, in fact, protecting Teamster jobs, functioning as a competitor to FedEx’s SmartPost and recapturing ground delivery clients.

The National Committee agreed that with the increased customer demands and revenue it generated from large customers like J.C. Penney, BASIC was a tool being used by UPS to woo back customers. Despite the net positive for Teamster jobs, the Committee acknowledged the need to continue to monitor the BASIC service expansion to make sure it benefits our members.

9.5

Stewards continued to want discussion of the 9.5 language in the contract which offers drivers the option to ask for a reduction in overtime hours below 9.5 hours a day. Since the last call, Hall noted, many 9.5 issues were being resolved, and the Teamsters Union would address the locations still having problems enforcing the language.



MASTER ^{the} FINANCIAL AID PROCESS

Don't Spend a Dime for Financial Aid Advice

Applying for financial aid can be intimidating and confusing. That's why so many scams offer to do the work for you—for an up-front fee, of course.



By Cameron Huddleston, Contributing Editor, Kiplinger.com

There are legitimate services out there, too, but you could get the same information yourself free. For example, FAFSA.com (not to be confused with the Education Department's website) offers to complete and submit the FAFSA form for \$79.99. FAFSA stands for Free Application for Federal Student Aid, and it is THE form when it comes to applying for federal financial aid (see below). It can be tedious to fill out, but note the key word: free. Remember that when considering any offers that require you to pay to prepare the FAFSA for you.

Also know that using one of these fee-based services won't necessarily increase your chance of getting funding. To make sure you get the most financial aid possible, learn about the various sources of aid and the appli-

cation process. And don't delay.

"By completing the application early and in advance of state and school deadlines, students and families have a better chance of securing cheap or even free money for college," says Martha Holler, spokesperson for Sallie Mae, which provides education loans. The sooner you can apply the better, because aid is not an infinite bucket.

Sources of Aid

Your final aid package could come from a variety of federal or state agencies, private lending institutions or, in the case of scholarships, your employer, club or church. The federal government provides the majority of financial aid—more than \$100 billion a year. The remainder of the aid

comes from state agencies, private loans and scholarships.

Department of Education. Federal aid includes loans, grants and campus-based programs and is based, for the most part, on financial need rather than scholastic achievement.

There are three types of loans: Stafford student loans and PLUS loans for parents and Perkins loans for high financial need students. The Federal Pell Grant, which doesn't have to be repaid, usually is awarded only to undergraduate students based on financial need, cost of attendance and other factors. And for students eligible for the Pell Grant, the government introduced two new grants in 2006: the Academic Competitiveness Grant and the National SMART Grant.

Campus-based programs, such as



12 THINGS DON'T COLLEGE STUDENTS NEED

The sticker shock when you first see the bill for tuition, room and board, and all those nebulous fees is bad enough. With the excitement and stress that accompanies the move to college, it's easy to let down your guard and pony up the plastic for a whole lot of other expenses. Sure, you want what's best for your child, but you don't have to say yes to every item on his or her wish list.



NEW TEXTBOOKS

To avoid paying unfathomable new-book prices, see whether your university offers a rental program—which is most often available for the school's core-curriculum and prerequisite classes. Or rent from a website such as CampusBookRentals.com, through which you can save up to 90 percent off the list price of books. Select your textbooks based on author,

title, keyword or, better yet, ISBN number, which ensures that you're getting the right edition.

CampusBookRentals.com offers several rental-period options, including a 30-day guarantee in case a student drops a class and a 15-day grace period for returns. Shipping is free, and after your book arrives, you'll get a prepaid, preaddressed envelope for the return. You can save up to 90 percent on some textbooks using Chegg.com, which plants a tree for every book you rent, but take note that shipping charges apply.

As for used books, check out BigWords.com, which searches the Web for the best prices on used textbooks. Again, using the ISBN number to search helps you get the right edition, but make sure you check with professors about peripheral materials that come packaged with textbooks, which used books may be missing.

THINK TWICE ABOUT THESE EXPENDABLE EXPENSES



A HIGH-END LAPTOP OR DESKTOP COMPUTER

An inexpensive laptop or desktop should do the trick. Netbooks are cheap, but their small keyboards and slow processing speed won't make the grade for a student's first year in college. One powerful, portable and affordable option is the Asus K50IJ-BBZ5 laptop. It has a 15.6-inch screen, weighs 5.8 pounds, and has 4 gigabytes of memory and a 320GB hard drive.



A PRINTER

If you skip this, you'll save about \$50 for a printer, \$30 a pop for replacement ink and \$9 per pack of paper. For about \$10, your teen could buy a flash drive instead, save his 20-page term paper on it and print the paper in the campus computer lab, which you may already be paying for. Students may also have the option of sending files directly from their dorm room to a computer-lab printer.

Some schools include a technology fee in room-and-board costs—\$100 per semester in some cases. But make sure you ask about page limits and any printing fees.



A PRICEY SMART PHONE PLAN

Students may think that a smart phone—especially the iPhone or Droid X—is de rigueur to deal with the rigors of campus life, but contracts with data plans can run as high as \$200 a month. Fortunately, there are less-expensive alternatives, including some affordable, no-contract deals.



CABLE TV

Your kid can catch movies and TV shows online. Hulu.com and Fancast.com let you download recent TV shows free. The movies offered on these sites have long since left theaters, but you can get a Netflix DVD-rental subscription for as little as \$5 a month. For \$9 a month, you get unlimited DVD rentals, plus on-demand streaming to your computer or TV through a Web-enabled device, such as an Xbox 360 or a TiVo HD.



A CAR

In a nine-month academic year, according to AAA, the average new sedan driven 10,000 miles would rack up more than \$5,800 in expenses, including costs for gas, standard maintenance and insurance. Parking permits and any tickets or

work-study, let you earn money to pay for school. To receive any of these forms of aid, students must first fill out the Free Application for Federal Student Aid, or FAFSA, which is discussed below.

Federal agencies. U.S. government agencies such as the Department of Health and Human Services, the Department of Veterans Affairs and many others provide a variety of scholarships, loans and education benefits.

State agencies. Aid programs vary from state to state. For information, check with your state's education department.

Private loans. Before 2008, there was abundance of private education loans that could be used to fill the gaps left by federal programs. Then credit seized up and dozens of lenders left the market. Now, the lenders who do offer the loans have made them harder to get and more expensive.

To get a private loan, your student



will not only need good credit, but also a creditworthy cosigner—typically a parent. Once, “good” meant a FICO score of at least 680, says Mark Kantrowitz, of FinAid.org. Now, lenders look for a score of at least 680 for the student (or no credit score at all), and 700 to 720 for the cosigner. Rates on these credit-based loans are based on the prime rate, plus a margin, which depends on the applicant's and cosigner's creditworthiness. Ask the financial-aid office at your student's school whether it provides a list of preferred lenders. (If so, the list must include at least two lenders and provide detailed information about the loans.) Compare lenders and loan terms at FinAid.org and Simpletuition.com.

Scholarships

Finding and applying for scholarships is a time-consuming project that's often not as rewarding as you might hope. Most scholarships tend to be

narrowly focused, extremely competitive and financially meager (\$500 or less). And some colleges subtract the value of outside scholarships from need-based aid. If you do decide to seek scholarships, check with your school guidance counselor, college financial aid offices, scholarship directories at your library as well as your employer, community organizations, advocacy groups or associations related to your field of interest. Sallie Mae's free CollegeAnswer.com scholarship database contains more than 3 million scholarships worth more than \$16 billion in funds. Or search other free sites such as Peterson's, the College Board's Scholarship Search and FastAID.

The Process

“Go for the free money first,” Holler says. Grants that do not have to be repaid are available from the federal government, state governments and higher education institutions, she says.

Try your luck with the Education Department before moving on to other federal or state agencies or scholarship funds with smaller pots of money.

The first step is to fill out the FAFSA online or on paper—you can generally pick up copies at your library, high school, college you plan to attend or by calling the Federal Student Aid Information Center (800-433-3243).

For the 2010-2011 school year, students have until June 30, 2011, to submit the FAFSA. If you want to qualify for state aid, though, you'll have to fill out the FAFSA much sooner (as early as March in some states). The application asks for your family's financial information, so you'll need documents such as tax returns on hand. The Department of Education pamphlet “Completing the FAFSA” details what questions are asked and what information you must provide.

You also might be required to fill

out the CSS/Financial Aid PROFILE. More than 600 colleges, universities, graduate and professional schools, and scholarship programs use the PROFILE to determine eligibility for nonfederal student aid funds, Holler says. If you have a short list of schools, call the financial aid offices to see if they require this form.

About two to four weeks after submitting the FAFSA, you'll receive a Student Aid Report. It summarizes the information you reported on the FAFSA and tells you your Estimated Family Contribution—how much you'll be expected to pay for your education.

Financial aid administrators at the colleges where you've applied will use your EFC to determine how much aid you'll get. You'll receive a financial aid award letter that tells you the amount of aid you'll receive for the school year and in what form: loan, grant or campus-based program. The letter usually will tell you what steps you need to take next.

breakdowns would add even more to the bill. Keeping the car parked at home could lower insurance premiums, too.

% A CREDIT CARD

The average freshman who had a credit card amassed more than \$2,000 in card debt in an academic year, according to a recent study by Sallie Mae. To curb the frivolity of first-year credit-card spending, Uncle Sam is now enforcing stricter credit-card rules. Anyone younger than 21 is required to prove his or her ability to repay any debts or have a parent (or someone else 21 or older) co-sign the card application.

Help your student stay in the black by withholding your signature until he has a long track record of fiscal responsibility. A debit card is a good way to get started.



HIGH BANK FEES.

Open an account for your child at a bank that is close to campus and has nationwide coverage. If your child uses an account

with the hometown bank, she could spend up to \$5 when she withdraws money from an out-of-network ATM. If she withdraws money, say, once a week, she could spend up to \$260 a year on fees.

Or consider opening an online checking account with a bank that doesn't charge ATM fees or that refunds ATM surcharges by other banks. Be sure to read the fine print: Some of these banks do not refund ATM fees beyond a certain amount or require the account holder to maintain a minimum account balance every month.

When choosing a bank, also find out how much it costs, if anything, to transfer funds online from your account to hers. This will save you from having to mail checks. Another option is to open an account with a credit union that belongs to a surcharge-free network.



OVERDRAFT PROTECTION

You now have the option when you open an account to opt out of overdraft protection. That means the bank either will not permit

you to withdraw funds if your balance is too low or will ask whether you want to pay a \$35 fee and proceed with the withdrawal. This is not a one-time decision; you can switch your preference if you decide you want the bank to cover overdrafts. Checks and recurring payments that cause you to overdraw the account are not covered even if you opt out, so you can still incur hefty overdraft fees.



A BIG MEAL PLAN

You've heard of the Freshman 15, so avoid loading up your child's meal account with enough money to feed the football team. Often, the money you spend on a meal plan does not roll over from year to year—if you don't use the money, you lose it. Best to start low and see how much your student eats. Many colleges give you the opportunity to replenish the meal-plan funds midyear.

You could also supplement your kid's meal plan with gift cards to the local grocery (or pizza joint). Or you can buy gift cards at GiftCertificates.com.



CAMPUS HEALTH INSURANCE

If you have family health coverage, your child may still be covered under that plan when he goes to college. If your plan does

not cover out-of-network costs, a campus health-insurance plan may be a more cost-effective option. Be careful, though: Some college policies have low coverage maximums, which could leave you with thousands of dollars in uninsured expenses.



PRIVATE LOANS

The hefty price tag on higher education makes it hard to avoid student loans, but if at all possible, steer clear of private student loans. They usually carry variable rates (as opposed to the fixed rates of federal loans), have fewer repayment options and allow students to rack up high balances.

By Marc A. Wojno, Senior Associate Editor,
Kiplinger's Personal Finance

Exposing FedEx Ground's Contractor Model



Teamsters Continue Misclassification Battle

FedEx Ground's egregious practice of calling its full-time drivers "independent contractors" has been disputed by a federal judge and the Massachusetts Attorney General.

On May 28, U.S. District Court Judge Robert Miller in Indiana, who is presiding over the 63 cases filed by FedEx Ground drivers in 40 states, issued the first summary judgment in the litigation when he ruled that drivers in Illinois are employees, not independent contractors.

In his opinion, Judge Miller said that drivers were employees because their delivery work was an essential part of FedEx's business. Judge Miller even cited testimony from former FedEx Ground CEO Dan Sullivan who said the drivers are the "center-piece" of FedEx's work force, and that they are an "essential component" of the company's business.

Judge Miller also said that the drivers are required to wear FedEx uniforms and drive trucks with the FedEx logo, supporting FedEx's brand. The judge also said the drivers were required to permit FedEx managers to have business discussions and take part in customer service rides.

\$1 Billion in Liability

The ruling could have far-reaching implications. The class-action suit collectively represents more than 27,000 drivers who are seeking reimbursement of all expenses they were forced to pay for being misclassified as independent contractors.

Experts have estimated that FedEx could be liable for more than \$1 billion in expenses

owed to these drivers.

Then in July, Massachusetts Attorney General Martha Coakley said FedEx Ground would pay the state \$3 million to settle allegations it had misclassified its delivery truck drivers as independent contractors.

The money will go to the state's general fund and cover alleged underpayments in payroll taxes, workers' compensation and unemployment assistance.

The settlement also provides a payment for 13 FedEx Ground drivers named in the citations the attorney general filed against the company. FedEx still faces a driver lawsuit in Massachusetts. That lawsuit is not affected by the July agreement.

Widespread Worker Misclassification

FedEx is not the only corporation that illegally classifies employees as independent contractors to avoid paying millions in state and federal taxes. Congress and more than 30 states are currently looking into ways to punish companies who misclassify workers—15 states have levied fines on companies of more than \$3.2 billion.

"Irresponsible employers who misclassify workers do this for one main reason: to avoid paying their share of state and federal taxes so they can pad their profits," said Jim Hoffa, Teamsters General President. "These companies also hurt workers by not properly giving them the benefits they deserve as full-time workers.

"Workers who are illegally misclassified get no sick time, vacation, health benefits or any of the rights afforded to

full-time workers under the law," Hoffa added. "The Teamsters are determined to make sure this practice comes to an end."

Misclassification Battle Ongoing

The Teamsters have been waging a successful campaign to battle misclassification. In April, the Nebraska Legislature passed a bill making it illegal for employers to improperly classify workers as independent contractors. Local 554 in Omaha worked for nearly two years to get the bill passed.

At the port of Los Angeles, truck drivers work long hours but are paid by the load because they are classified as independent contractors. If they are hurt or sick and cannot work, they are not paid. It's no wonder their trucks have been called "sweatshops on wheels."

The Teamsters also praised other efforts by the federal government to crack down on misclassification. In April, a bill was introduced that would make worker misclassification a violation of federal labor laws.

Another bill would close the tax loopholes that let businesses off the hook for misclassification.

The Obama administration has also proposed a new Labor Department initiative to step up enforcement and help states that are doing a good job of going after violators.

Each year, more than \$4.7 billion in federal income and employment tax revenue is lost due to misclassification and billions more are lost at the state level.



More Than 3,000 New UPS Workers Join Teamsters

More than 3,000 UPS workers joined the Teamsters this year thanks to the hard work of some locals nationwide to sign up all non-Teamster workers in right-to-work states.

In the first tele-town hall conference that Package Division Director Ken Hall held this spring, he talked about the importance of making sure that locals identify the UPS workers who are not Teamsters and to sign them up.

Many locals have been conducting their own internal organizing drives which have proven successful. For a two-week period in April, the union sent out mailings with cards to all non-members and placed calls to them. Stewards were asked to talk to their local union leadership about the program and how to make it work.

"Our ability to enforce the contract is directly tied to the strength we have in numbers of members at UPS," Hall said. "The company knows how many employees are non-members and that works to their advantage."

"Stewards nationwide have stepped up to the plate to bring all UPS employees into the union," Hall said. "I commend these stewards for their hard work."

Motivated Stewards

At Local 639 in Washington, D.C., Secretary-Treasurer John Gibson said the local has been able to sign up about 200 new members this year alone. Local 639 has UPS workers in three terminals in Virginia, a right-to-work state, where they have concentrated on signing new members.

"On a quarterly basis, we have stewards and business agents set up tables outside the Dulles, Alexandria and Newington facilities in Virginia to identify and talk to nonunion members," Gibson said. "It has helped tremendously in our organizing efforts."

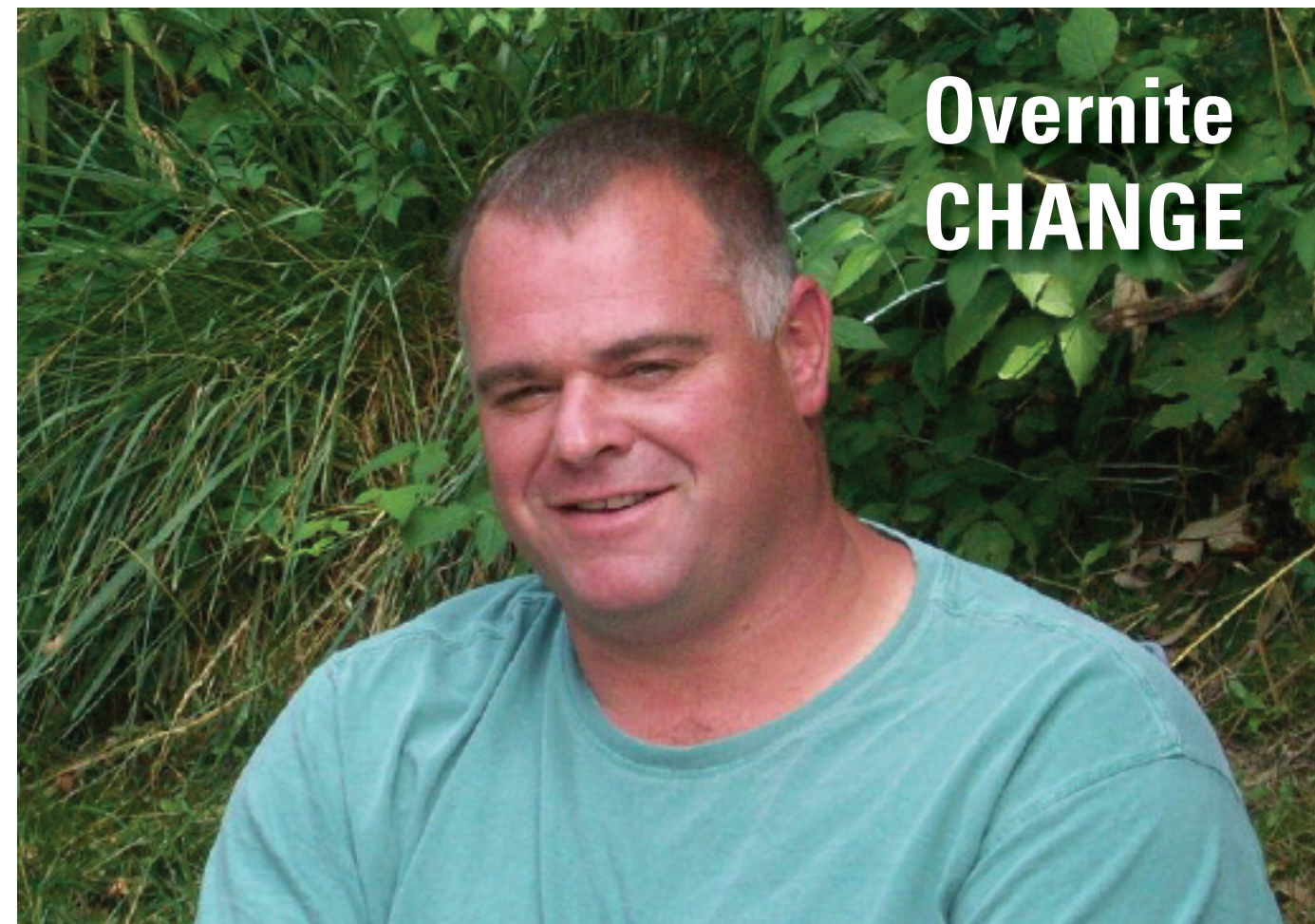
Gibson said the local plans to do another push this fall.

Local 639 President Tommy Ratliff said the stewards sign up the new members by reinforcing to them that the benefits they enjoy are due to the hard work of the Teamsters.

"The workers who weren't Teamsters realize that if it wasn't for the union, their benefits would not be nearly as good," Ratliff said. "That usually makes them sign up pretty quickly."

"Let's keep up the good work," Hall said. "Our goal is to make sure every UPS worker who is eligible to join the Teamsters is in the union."

Overnite CHANGE



Eric Olbrych has been a Teamster and a steward for less than two years, but he noticed the difference a contract can make immediately.

Olbrych, a UPS Freight driver who worked for Overnite Transportation for nine years, said being a Teamster has opened his eyes as a steward for Local 251 in East Providence, R.I.

"My father was a steward for his union so I grew up knowing a lot about what it takes to be an effective steward," Olbrych said. "You need to know what is in the contract and make sure it's being enforced. You can't let things slide."

'Lucky to Have Him'

"I try and make sure I know what's going on in my shop," Olbrych said. "And I read the contract a lot. It's the only way to really know what's in there."

Joe Bairos, Secretary-Treasurer of Local 251, said Olbrych is a great steward in the UPS Freight shop.

"He knows the contract inside and out and he makes sure it's enforced," Bairos said. "Eric was also one of our

lead organizers when we were trying to organize at Overnite, and then at UPS Freight. We are lucky to have him at Local 251."

Union Benefits

Olbrych said working at Overnite while the workers there struggled to become Teamsters opened his eyes to the benefits of belonging to a union.

"As a Teamster you know you're going to get raises, your benefits will stay the same, you won't get hit with unexpected costs, because you've got a contract," Olbrych said. "This is why I monitor our contract so carefully. We fought hard to get a good one."

"Every member in my shop knows that when they feel the contract is not being upheld, they need to make a paper trail and let me know about it," Olbrych said. "That's my job."

UPS Freight drivers in the New England area were among the first in the country to sign cards to become Teamsters. The Teamsters now represent nearly all of the 12,600 UPS Freight drivers and dockworkers eligible to join the union.



Union's Organizing Effort Drawing Praise in Right-to-Work States

Don't Stop Believing

Retired Teamster Explores Life, Love Through Lens

*I*t may sound cliché, but Lewis Smith is proof that if you can dream it, you can do it. A 32-year UPS Teamster who recently retired, Smith, a member of Local 164 in Jackson, Mich., has found that there truly is life after retirement.

The life that Smith lives, though, is really just a continuation of his former self—a self that finds pleasure in capturing vibrant colors, happy smiles and breathtaking landscapes.

At 56, Smith is an artist. His medium: a camera. His canvas: the world.

From adorable wolf cubs to gorgeous waterfalls and beautiful models, Smith has a way of getting the lighting, the angle and the color just right. But the journey to where he is today is one full of twists and turns.

That journey has always contained one constant, however. Smith never let go of his dreams.

"I actually did photography when I was in college. I took some art classes, but dropped out of college and started working for UPS," he said.

Inspiration

It was at UPS that Smith became inspired by, of all things, sunrises and sunsets.

"I saw those colors and I wanted to try to capture them and recreate them," he said. "Driving gave me time to reflect and say, 'When I get to that point, this is what I want to do.' Now I'm at that point and I'm doing what I love."

Today, Smith's love has blossomed into something more than just a hobby. His work is on permanent display at Lansing Community College and Michigan University offices. It was also recently featured at the grand opening of The Center for New Enterprise and Opportunity (NEO Center), a one-of-a-kind community venue in Lansing, Mich. that promotes small business, creativity and sustainable economic development.

Though Smith hopes to create business in Lansing as a portrait and art photographer, his main goal is to explore his passion while living his dream.

"For me it's not about the money. I had a job where I was making money. Now it's time for me to explore something I love and leave something behind for everyone else to enjoy," he said.

And for those with dreams of their own, Smith offers this advice: "You might be driving a truck right now, but never let go of your desires and passions. There's always an avenue to get where you want to get."

For more information about the NEO Center, visit www.neocenter.org.

We Want to Hear from You

The *UPS Teamster* magazine focuses as much as possible on individual Teamsters working in the parcel industry, but there are plenty of untold stories about you. The only way we can know about them is if you let us know.

If you have an interesting story relating to your job or as a Teamster, please e-mail UPSTeamsterMagazine@teamster.org

or write to:

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