



A Message from General President James P. Hoffa A Busy Time on Both Coasts

Negotiators on both coasts are working hard to protect the interests of Costco members in New York, New Jersey, Maryland, Virginia and California.

In the East, work is winding down on contract negotiations. In California, the effort is just beginning.

We will be successful in both of these contract campaigns because we have the best negotiating teams looking out for you and your families. But the main reason for our success will be you—the Costco members. You

have done your part giving us guidance on the issues that are important to you.

Thank you to each and every one of you who participated. You are the highest paid workers in the retail industry. Together, we will make sure that trend continues.

Fraternally,



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Stewards Help Kick Off Negotiations East Coast Contract Expires on September 15

Contract talks covering 3,500 Costco workers on the East Coast kicked off in mid-June, and 26 shop stewards are among those on the bargaining committee. The current 30-month contract expires September 15.

“We have exchanged proposals with the company and have tentative agreements on a

number of issues, most notably a new and vastly improved grievance procedure,” said Rome Aloise, an International Representative who has been appointed to assist Costco local unions. “The new procedure will expedite grievance decisions by utilizing a panel hearing with a neutral arbitrator also sitting on the panel. If the panel deadlocks on

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Stewards Help Kick Off Negotiations *continued from front*

a decision the arbitrator breaks the tie. This will mean that there will no longer be lengthy waits for arbitration dates and longer waits for the decisions.”

Representatives from Local 210 in New York City, Local 311 in Baltimore and Local 592 in Richmond, Virginia are participating in negotiations.

“We will work on the more touchy work rules and other language with the company in upcoming sessions,” said Aloise, who is chairman for the negotiations.

Negotiators Optimistic

“I’m optimistic and I’m looking forward to the course of negotiations,” said Ronnie Belpanno, a Local 210 business agent, who also sits on the negotiating committee. “We’ll do



everything we can to get a good contract for the members.”

Gabriele Plate, a 12-year member of Local 210, is excited to be participating in the process.

“I want to work to improve our pension benefits,” said Plate, who works at the Hazlet, New Jersey warehouse.

Earlier this year, East Coast bargaining unit employees voted 1,575 to 457 to

retain Teamster representation. The election resulted from an agreement between Costco and the Teamsters to settle hundreds of National Labor Relations Board (NLRB) charges and countercharges involving union representation.

The 13,000 Costco workers in California are covered under a separate contract.

California Members Receive Bargaining Surveys

Data to Be Collected, Analyzed

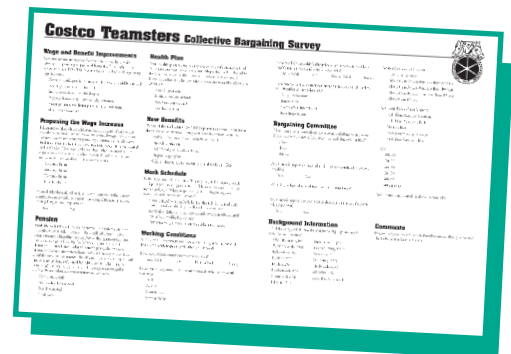
While East Coast contract talks proceed, California Costco members are providing guidance about what issues are important in the upcoming West Coast negotiations.

Surveys were recently sent out to 13,000 California Costco members from Locals 78, 150, 166, 542, 572, 853 and 986. The information being sent back to Teamsters headquarters will be collected and analyzed in preparation for contract talks.

Training seminars with stewards—who will be sitting on

the negotiating committee—will be held soon, and local unions are also holding contract proposal meetings.

“I urge members to get involved in the process so that we are able to better understand what issues are important to you,” said Rome Aloise, an



International Representative who has been appointed to assist Costco local unions. “If you haven’t done so already, please fill out a survey. The more feedback we get, the better prepared we will be to fight on your behalf.”

The surveys address numerous issues in the contract campaign. Workers indicate how important each issue is to them. The sections include wage and benefit improvements, pension, health plan, working conditions and job classifications.

The current three-year contract expires in February 2004. Contract talks are scheduled to begin in late September.

CONTRACT SAFEGUARDS MEMBER’S RIGHTS

Local 592 Wins Full Back Pay Award

Local 592 recently won a grievance on behalf of a member at the West Henrico warehouse in Virginia. The victory was related to Costco’s improper drug testing of an employee who was recalled from layoff.

“The company attempted to justify the testing by classifying the member as a ‘rehire,’ which is what happens when employees are laid-off in the non-represented buildings,” said Jim Smith, a Local 592 business agent. “Obviously, this is because there is no such thing as seniority or recall rights without a binding contract.”

The arbitrator ruled that the company “lacked sufficient and proper cause to discharge the Grievant. The Grievant shall be reinstated with no loss in pay, benefits or seniority.” The bottom line is that a member who has been laid-off and recalled to work is protected by their union contract and the company does not have the right to drug test.