

# Change of Heart

## AWG Takes Warehouse, Transportation Back In House



Four years ago, Teamsters Local 245 and 955 members at Associated Wholesale Grocers (AWG) engaged in the fight of their lives, battling a grocery cooperative bent on outsourcing its warehouse and transportation work to a third party. Just as the wounds from that struggle finally began to heal for many workers, AWG changed its mind: The company decided to end its relationship with its contractor this month.

After four years of outsourcing to Elite Logistics, a subsidiary of logistics provider Tibbett & Britten, AWG has had a change of heart: In late August, AWG exercised its option to escape its contract and take its warehouse workers and drivers back in house on October 3.

After a two-month lockout that put more than 1,200 workers on the street in the blistering heat of a Midwestern summer, Teamsters won a major victory in June 2000, returning every worker to his or her job at AWG, along with a seven-year contract, pay increases and a piece of a multi-million dollar back pay award.

### Bitter History

Bill McNeal, John Cahow, and nearly 1,200 of their brothers and sisters faithfully walked picket duty for two months outside AWG's warehouses in Springfield, Missouri and Kansas City after the grocery cooperative announced its plans to lay off its

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## Election 2004: A Clear Choice for Working Families Bush for Big Business, Kerry for Workers

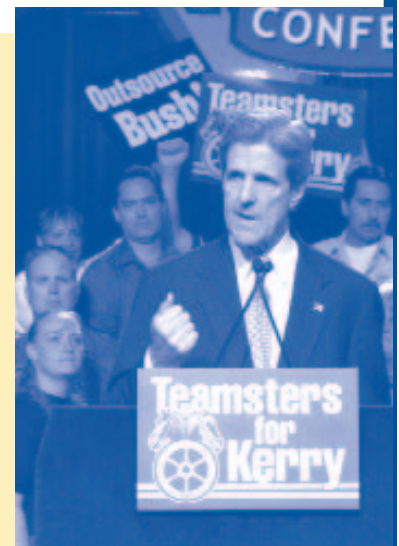
Since taking office, George W. Bush has made it clear what his attitude is toward the needs of working families. From health care to retirement security to jobs and trade, this administration consistently has worked for its Big Business contributors and against the men and women across this country who work for a living.

Still, many people are asking: How would a second Bush term affect the needs and chal-

lenges of working families? During his acceptance speech at the Republican Convention in early September, Bush shared his vision for working families, if he's given a second term in office. In his speech, the President set his sights on basic worker benefits.

"Many of our most fundamental systems—the tax code, health coverage, pension plans, worker training—were created for the world of yesterday, not of tomorrow," the

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*Senator Kerry at the Teamsters Unity Conference*

# Change of Heart

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warehouse and transportation workers and outsource the jobs.

When workers weren't on the picket line, they were passing out handbills at grocery stores throughout Missouri, Kansas and Oklahoma—among other states—asking customers to please shop elsewhere. AWG, they explained to shoppers, had locked them out—placing hundreds of families in three states in jeopardy.

Pickets were then extended to AWG's Oklahoma City warehouse, expanding the number of workers on the street to 1,400.

When the Teamsters' battle ended after months of bitter negotiations and a drastic blow to AWG's sales—AWG's losses were estimated at more than \$100 million—every employee returned to his or her job.

The workers' victory was historic, making news across the country and drawing Teamsters General President James P. Hoffa, elected officials, community leaders and union activists to protest AWG's attack on working families.

## Complete Turnaround

When AWG announced its decision to lay off its workers and move to a third-party warehouse and transportation operator four years ago, the company's primary justification was to lower costs to compete with Wal-Mart.

In the end, Teamsters Local 245 Secretary-Treasurer Jim Kabell said the company found it was paying too much for too little.

"They thought it was money they were spending that they didn't need to spend," said Kabell, who led the battle in 2000 in Springfield, Missouri, along with now retired Local 955 President Bobby Davidson.

Kabell and others believe AWG had gotten all it could get from its subcontractor—moving from hourly pay for drivers to activity-based compensation (ABC) and implementing new production standards, including voice-pick technology, in the warehouse.

"AWG didn't have the expertise to know what it want-

ed," Kabell said, so management brought in the contractor to do it for them.

## No Surprise

The decision to take the work back in-house came as no surprise to many workers and union leaders.

"This rumor has been floating around out there for a long time," said Jim Williams, President of Local 955 in Kansas City. "Our drivers who went out to the stores, they were coming back in and saying, 'Hey, we're going back to work for AWG.'"

"I said from the start that I thought these third party operators were a phase," said Rick Gardner, a Local 245 business agent. "Once companies tried this and decided they weren't getting what they were paying for, I figured they'd start taking the work back in house."

## Family Reunion

Most workers say they'll be relieved to be employees of AWG again, eliminating the third-party operator and reestablishing a direct line of communication with and accountability from the company.

"Most of the workers feel like they're part of the company again," said McNeal, a 13-year AWG driver from Kansas City. "They've been enthusiastic."

Still, there are mixed emotions, said Cahow, a 27-year AWG driver in Kansas City.

"To be honest and fair, the part that is so sad is that this thing that they wanted so bad, we could have negotiated four years ago but the company wouldn't do it," he said. "That lockout never had to happen. I remember nights out there walking from two to six in the morning, scab truck drivers trying to run over us... We didn't have to go through that.

"Us old guys, we helped build that company, then they put us out on the street like a used bag of trash. That saddens me, because it hurt our people so bad. Here we end up full circle back with AWG again."

**"Most of the workers feel like they're part of the company again. They've been enthusiastic."**

—Bill McNeal

# ELECTION 2004: A Clear Choice For Working Families

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President stated. Clearly, Bush intends to use the power of his office to continue undermining—and in some cases abolishing—critical health and retirement programs.

He also laid out his plan to advance his assault on core labor rights. Just days after his administration implemented new regulations that will take overtime rights away from 6 million working Americans, Bush pledged in his speech to go even further in a second term. He called for new “labor law reform”—including flex-time and comp-time programs—that would enable more companies to force their employees to work

expanded and constantly changing schedules without any additional compensation.

## **Kerry-Edwards: Renewing America's Commitment to Working Families**

Fortunately, John Kerry and John Edwards know that health coverage, pensions, and worker training are not things of the past. These two leaders have proven their commitment to working families, as both of them have earned lifetime labor voting records of better than 95 percent.

The Kerry-Edwards health care plan



would make the same insurance that members of Congress use available to all Americans, ensuring that everyone has access to affordable, quality health care. Right now they are leading the fight in Congress to allow for the re-importation of safe, approved prescription drugs from Canada, drastically reducing the costs of medication for seniors and other working Americans.

Kerry and Edwards would also bring a renewed commitment to job creation and fair trade to the White House. They will close tax loopholes that encourage companies to move overseas, and they will put an end to the Bush administration's “outsourcing” agenda, which has caused 1 million American jobs to leave the country.

“Working families and union members find themselves facing the greatest challenges and, perhaps, the bleakest future in fifty years,” said Jim Hoffa, Teamsters General President. “Fortunately, we can do something about it. By voting the issues that matter most to us—health care, retirement security, jobs and trade—we can help renew our nation's commitment to the values that built our economy and created the middle class. We can put America back to work!”

*for more information log on to*  
**[www.TeamstersForKerry.org](http://www.TeamstersForKerry.org)**

## A SECOND BUSH TERM:

### *What Would It Mean for Working Families?*

**HEALTH CARE:** 3 million retirees will lose their employer-provided prescription drug plan due to George Bush's sham prescription drug plan, and 5.2 million more people are without health insurance today than four years ago. With a second term in office Bush will be able to move forward plans to privatize Medicare and establish “medical savings accounts” which would allow wealthier Americans to buy their way out of the health care crisis.

**RETIREMENT SECURITY:** 10 million working Americans—including many Teamsters—saw their retirement plans put in jeopardy when the President used a veto threat to prevent Congress from enacting meaningful pension relief for multi-employer pension plans. **The President will continue to promote an agenda that harms traditional pension plans and their participants**, while at the same time undermining laws passed in recent years to reign in corporate CEOs who doctor the books and lie to investors.

**JOBS AND TRADE:** 2 million more Americans are out of work today than at the beginning of the Bush administration, and 1 million jobs have gone overseas due to Bush's outsourcing policies. **Bush administration officials have already stated their intention to enter the United States into more job-killing trade deals, and the President himself committed during his convention speech that he would continue his “free trade” agenda.**

# A Message from General President James P. Hoffa



# Vote!

Every working man and woman who cares about their future—the future of their jobs, the future of their healthcare and retirements, and the very future of our country—should vote for John Kerry

and John Edwards on November 2.

Let's cut through the spin and campaign rhetoric and simplify the presidential race to what it is really all about. The Bush/Cheney ticket is for corporate interests while John Kerry and John Edwards stand with working Americans.

Kerry and Edwards support the right to organize. They have rallied workers on picket lines. John Kerry was once a warehouse driver and member of

Teamsters Local 25. John Edwards has worked in a mill. Can you imagine Bush or Cheney—both former CEOs—on a picket line? You would also have to be dreaming to think Bush/Cheney would do anything to strengthen workers' rights at the expense of corporate profits.

Don't be fooled by wedge issues, comments taken out of context and savvy advertising. The choice is clear. A John Kerry administration would welcome labor as a partner in Washington. Four more years of George Bush could destroy what it has taken 100 years to build. On November 2, stand up for working families and elect public officials like John Kerry who will build our middle class rather than destroy it. And remember, every vote counts.

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