



VOICE OF THE ILWU

HONOLULU, HAWAII
© ILWU LOCAL 142
LOCAL 142

Volume 43 • No. 9

The VOICE of the ILWU—Published monthly except April and a combined June/July issue by Hawaii Local 142, International Longshoremen's & Warehousemen's Union

November 2003

Grand Wailea members take on bosses

WAILEA, Maui—"No contract, no peace," is the loud and clear message union members are sending to their bosses as they begin contract talks with Grand Wailea Resort & Spa management. Contract talks have only just begun but already members have held one rally and are planning more demonstrations during the busy holiday season. The unit's negotiating committee purposely allowed the old contract to expire without an extension. With no contract in effect, workers are free to picket, wave signs, or strike the hotel.

Management's arrogance and continued ill-treatment of employees have led to the anger, frustration, and resentment being expressed by



—continued on page 3 Grand Wailea rally for a fair contract on December 7.

ADDRESS LABEL

Best Wishes this Holiday Season—from the Officers and staff of ILWU 142

Galdones elected president

Fred Galdones was elected president of ILWU Local 142, defeating Ray Camacho by 931 votes in statewide balloting among ILWU members held in November. Galdones received 5,179 votes or 55 percent of the total, while Camacho received 4,248 votes or 45 percent. Pending any valid challenges to the election, Galdones would serve a three-year term of office, beginning on January 2, 2004.

Galdones was formerly the Hawaii Division Director and Camacho was formerly the Oahu Division Director.

Donna Domingo was elected vice-president with a vote of 5,124, defeating Thomas Contrades, who received 4,138 votes. Guy Fujimura was unopposed as secretary-treasurer.

Results of the Local 142 election were released on December 17, 2003. Candidates have ten days after the results are announced to challenge the election.

The complete election results for all other races will be published in the December 2004 Voice of the ILWU. Following are the division-by-division results of the statewide voting for titled officers.

<u>Candidates for President</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>	<u>Oahu</u>	<u>Total</u>
Camacho, Ray	493	1,856	343	1,556	4,248
Galdones, Federico "Fred"	1,752	1,549	579	1,299	5,179
<u>Candidates for V. President</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>	<u>Oahu</u>	<u>Total</u>
Contrades, Thomas "Tommy"	1,207	1,031	687	1,213	4,138
Domingo, Donna	958	2,324	254	1,588	5,124
<u>Candidate for Sec.-Treas.</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>	<u>Oahu</u>	<u>Total</u>
Fujimura, Guy K.	1,747	2,503	672	2,288	7,210

Pineapple members ready for negotiations after 14-month delay



(L-r) Contract Administrator Michael Murata and pineapple negotiating committee members Earl Totten (chair), Robert Faborito and Avelino Martin (vice chairs).

HONOLULU—Forty delegates from 10 pineapple units met in Honolulu on December 4 and 5 to prepare for negotiations delayed after two contract extensions. The first extension was due to the turbulent situation in the West Coast longshore negotiations following the lockout by employers and the intervention of the federal government with a Taft-Hartley injunction. The second extension was due to the buildup to the war on Iraq and the uncertainty of how the war would affect Hawaii's economy. The original contract expired on November 30, 2002, but was extended for 14 months to January 31, 2004.

The delegates were anxious to get back to the bargaining table with

management to deal with ongoing problems and unresolved issues.

Earl Totten from Del Monte Fresh Fruit chaired the caucus, Avelino Martin from Dole Wahiawa and Bobby Faborito from Maui Pine were elected vice chairs, and Darlene Palmerton from Del Monte Kunia served as secretary.

Three companies will be involved in negotiations—Dole, Del Monte, and Maui Land and Pineapple.

Following a change in the ILWU Constitution made in 2000, Maui Pine will have three additional representatives on the union committee—Doug Cabading (trades), Glenn Murayama (cannery), and Marcelino Bonilla (intermittents).

WASHINGTON D.C. REPORT

Republican push through Medicare defeat

MEDICARE/Prescription drugs—The Senate passed the prescription drug conference report. The legislation will subsidize employment based plans up to 28 percent of the costs of enrollees between \$250 and \$5,000 in spending. Employment based plans get no help for catastrophic costs. Please see the fact sheet (below right) that outlines just how bad the conference report is. Senator Feinstein (D-CA) and Senator Ron Wyden (D-OR) voted wrong on the issue. In the House, Rep. David Wu (D-OR) voted wrong. All other West Coast Democrats were “right” on the issue. A big thank you to all ILWU members who called their Members of Congress. The vote was close and would not have been so close without grassroots participation.

Pelosi speaks out against GOP tactics

On December 8, 2003, Democratic Leader Nancy Pelosi (D-CA) took to the floor of the House to decry the mechanics that allowed the Medicare Prescription drug bill to pass. It's pretty self explanatory – in short, the vote on final passage was kept open for three hours while President Bush and others strong armed Members of Congress with threats and intimidation in order to give Bush a legislative victory. Her remarks were both eloquent and to the point. Take

a read and make up your own mind about the fairness of a Republican controlled Congress.

Privileged resolution

Whereas on November 22nd, the Republican Leadership held open the vote on roll call No. 669 on H.R. 1, the Prescription Drug Conference Report, for nearly three hours, the longest period of time in the history of electronic voting in the U.S. House of Representatives;

Whereas the normal period of time for a recorded vote is 15 minutes, and the Speaker of the House reiterated that policy on January 7, 2003 saying “The Chair wishes to enunciate a clear policy with respect to the conduct of electronic votes . . . The Chair announced, and then strictly enforced, a policy of closing electronic votes as soon as possible after the guaranteed period of 15 minutes”, and in addition the Speaker pro tempore on November 22nd announced prior to the vote on Prescription Drugs that it would be a 15-minute vote;

Whereas the amount of time for the vote on H.R. 1 went far beyond anytime considered reasonable under established House practices and customs, and was a deliberate attempt to undermine the will of the House;

Whereas the opponents of H.R. 1, both Republicans and Democrats, were on the prevailing side for more than two and one-half hours and proponents never once held the lead during this period of time, and the sole purpose of holding this vote open was to reverse the position that a majority of the House of Representatives had already taken;

Whereas, according to press reports, a Member of Congress who is retiring was told on the House floor during this extended vote that “business interests would give his son (who seeks to replace him) \$100,000 in return for his father's vote. When he still declined, fellow Republican House members told him they would make sure Brad Smith never came to Congress”, and such

an act is in violation of Section 201 of Title 18 of the United States Code, which prohibits bribery of public officials;

Whereas these actions impugn the dignity and integrity of House proceedings, bring dishonor on Members of Congress, and were a gross violation of the rights of Members who opposed this legislation: Therefore, be it

Resolved, That the House denounces this action in the strongest terms possible, rejects the practice of holding votes open beyond a reasonable period of time for the sole purpose of circumventing the will of the House, and directs the Speaker to take such steps as necessary to prevent any further abuse.

New Medicare bill fact sheet: A bad deal for America's seniors and a bad deal for Medicare

The Bush Medicare bill is a bad deal for America's seniors and a bad deal for Medicare. It does almost nothing to lower drug prices. It was written by and for the big drug and insurance companies. Millions of seniors will face higher Medicare premiums unless they leave their doctor and join an HMO, and millions will have to pay more for their medications.

Democrats know that America's seniors deserve better.

Under this bill:

- Drug prices stay high. The final bill doesn't allow Medicare to negotiate better prescription drug prices, like Medicaid and the VA program do. And, it blocks reim-

portation of American-made drugs from other countries at lower prices.

- Seniors are coerced into HMOs and will pay increased Medicare premiums. The new “premium support” provisions result in higher Medicare premiums for up to 7 million seniors if they don't give up their doctor and join an HMO. In addition, the plan squanders \$14 billion by overpaying HMOs, giving them an unfair advantage.

- Millions of seniors will pay more for their medications—up to one quarter of Medicare beneficiaries. Under this plan, 2.7 million seniors will lose their retiree drug coverage, and up to 6.4 million low-income seniors will have to pay more or lose access to coverage for the drugs they need.

- Millions of seniors go without

coverage for part of the year. There is a \$2,850 gap in coverage that hurts middle class beneficiaries and leaves millions of seniors without coverage for part of the year—even though they have to pay premiums all year.

- In his speech today, the President mentioned Hugh Iverson, who has \$400 per month worth of drug

costs. What the President didn't mention is that Mr. Iverson gets no assistance with his drug costs for 7 months out of the year, even though he has to pay premiums all year long.

- \$6 billion needed for retiree coverage is spent on tax breaks for healthy and

wealthy. This bill squanders \$6 billion on tax shelters for the wealthy on “Health Savings Accounts”—money that should be used to prevent loss of retiree coverage or improve the benefit.

Important Notice on ILWU Political Action Fund

Delegates to the 30th Convention of the ILWU, meeting in Honolulu, Hawaii, April 7-11, 1997, amended Article X of the International Constitution to read:

“SECTION 2. The International shall establish a Political Action Fund which shall consist exclusively of voluntary contributions. The union will not favor or disadvantage any member because of the amount of his/her contribution or the decision not to contribute. In no case will a member be required to pay more than his/her pro rata share of the union's collective bargaining expenses. Reports on the status of the fund and the uses to which the voluntary contributions of the members are put will be made to the International Executive Board.

“The voluntary contributions to the Political Action Fund shall be collected as follows:

“Up to One Dollar and Fifty Cents (\$1.50) of each March and July's per capita payment to the International Union shall be diverted to the Political Action Fund where it will be used in connection with federal, state and local elections. These deductions are suggestions only, and individual members are free to contribute more or less than that guideline suggests. The diverted funds will be contributed only on behalf of those members who voluntarily permit that portion of their per capita payment to be used for that purpose. The Titled Officers may suspend either or both diversions if, in their judgement, the financial condition of the International warrants suspension.

“For three consecutive months prior to each diversion each dues paying member of the union shall be advised of his/her right to withhold the contribution or any portion thereof otherwise made in March and July. Those members expressing such a desire, on a form provided by the International Union, shall be sent a check in the amount of the contribution or less if they so desire, in advance of the member making his/her dues payment to the local union for the month in which the diversion occurs.

“Those members who do not wish to have any portion of their per capita payment diverted to the Political Action Fund, but wish to make political contributions directly to either the Political Action Fund or their local union, may do so in any amounts whenever they wish.”

No contribution - I do not wish to contribute to the ILWU Political Action Fund. I understand that the International will send me a check in the amount of \$1.50 prior to March 1, 2004.

Less than \$1.50 - I do not wish to contribute the entire \$1.50 to the ILWU Political Action Fund. I will contribute _____. I understand that the International will send me a check for the difference between my contribution and \$1.50 prior to March 1, 2004.

More than \$1.50 - I wish to contribute more than the minimum voluntary contribution of \$1.50 to the ILWU Political Action Fund. Enclosed please find my check for \$_____.

Signature _____

Name _____

Address _____

Local # _____

Unit # _____

Return to: ILWU, 1188 Franklin Street • San Francisco, CA 94109

NOTE: CONTRIBUTIONS ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS



The VOICE of the ILWU (ISSN 0505-8791) is published monthly except April and a combined June/July issue for \$2 per year by Hawaii International Longshoremen's & Warehousemen's Union, 451 Atkinson Drive, Honolulu, Hawaii 96814. Periodicals postage paid at the post office of Honolulu, Hawaii.

POSTMASTER: Send address changes to VOICE of the ILWU, c/o ILWU Local 142, 451 Atkinson Drive, Honolulu, HI 96814. Editorial Board: Eusebio Lapenia Jr., Robert G. Girald and Guy K. Fujimura.

Editor: Mel Chang

Bad management leads to continued fight at Grand Wailea

—continued from page 1
the resort workers in what is only the second round of negotiations. The bad treatment by management goes back to the beginning—December 1998—when the hotel's new owners, the KSL Recreation Group, bought the hotel for half of its construction cost after the banks foreclosed on Japanese developer Takeshi Sekiguchi.

No way to treat workers

The workers, many of whom had been with the hotel since it opened as the Grand Hyatt Resort and Spa in 1991, were told they would have no jobs and had to stand in line with everyone else and reapply as a new hire. The ILWU said this was no way to treat a loyal and skilled workforce. It was the workers who made the hotel a first-class resort and the workers should keep their jobs.

At first KSL ignored the union's request "to keep the workers working," so the ILWU took the message to the Maui community in radio and newspaper advertisements and to institutional investors who had millions of dollars invested with KSL's parent company KKR (Kohlberg, Kravis, & Roberts). The ILWU also used its political influence with Mayor Kimo Apana and

the Maui County Council which passed a resolution in support of the workers.

KSL got the message and on December 24, 1998, the day before Christmas, KSL western division president Scott Dalecio agreed to give preference to current employees and to negotiate a new contract with the ILWU.

Second-class wages

It took 19 months to reach a fair settlement on that first contract. KSL wanted a first-class resort and first-class workers but only wanted to pay second-class wages and benefits. The company demanded a series of reductions in benefits and other contract terms which were lower than what every other Maui hotel was giving their workers.

The Grand Wailea membership refused to give in and held rallies and other actions to take the message to the Maui community. The ILWU continued to keep KKR investors informed and sent faxes and e-mail to thousands of travel agents and travel wholesalers about the ongoing contract dispute with management. It took 19 months but a settlement was finally reached and ratified by members in July 2000. The contract would run for a little

over three years and expire on October 31, 2003.

Over the three years, management's attitude and behavior remained the same. Workers continually complained of unfair treatment by management. The union constantly filed grievances, which end in impasse or remain unsettled.

These are the reasons the second round of negotiations promise to be just as difficult and contentious as the first round.

Are the workers at fault?

An outside observer might wonder if maybe Grand Wailea workers might share part of the blame for the hostile and bad relationship between management and employees. Let's answer this question by taking a closer look at KSL.

KSL was founded in 1993 by Kohlberg Kravis Roberts & Company (KKR), a multi-billion dollar investment firm that specializes in buying other companies, reorganizing or restructuring that company, and making a profit for itself and its investors in the process. Since 1976, KKR was involved in 110 management buyouts involving a total of \$114 billion of total financing (see their website at www.kkr.com).

KKR uses other people's money, particularly public employee pension funds, to finance their takeover efforts. Once in control, KKR restructures the companies to maximize wealth for the new investor/owners of the company. This is usually done at the expense of the existing management and employees of these companies—operations are merged, shut down or sold off; jobs are cut; wages and benefits trimmed. The idea is to trim the fat and make a leaner, meaner more profitable company that would be controlled by investors.

Critics of this way of doing business call it "corporate raiding" and say the raider adds no value but leaves the surviving company saddled with debt. And because the process almost always involves selling off parts of the company or merging and shutting down operations, workers are left without jobs and communities are hurt by plant closings.

KSL Recreation

In every annual report since KSL Recreation Group was incorporated, company executives have reported to its investors and the public that: "The Company believes that its employee relations are generally good." The 2002 report goes on to mention that: "Unions represent none of the employees at Desert Resorts, Doral, Grand Traverse or Lake Lanier. At Grand Wailea, one union represents approximately 76% of employees. At the Biltmore, one union represents less than 1% of its employees. At La Costa, one union represents approximately 50% of employees. At The Claremont, three

unions represent approximately 51% of employees. The Company is currently engaged in collective bargaining with unions at Biltmore, La Costa and The Claremont."

Like its parent, KSL has grown by acquiring existing properties. In December 1993, KSL bought the La Quinta and PGA West Resorts in Palm Springs, California, and the Doral Resort in Miami, Florida. There was no union at the resorts in Palm Springs, but the Doral Resort was unionized.

Doral Resort's unionized workers were terminated and told to reapply for their jobs. Workers were hired from outside the existing workforce and the company went non-union. Without a union contract, management could set its own wages and benefits, which were lower than before. Now, workers need to pass an annual reading, writing and aptitude test to keep their jobs. Doral workers are continuing their attempts to organize, but legal conditions (it's a right-to-work-for-less state) in Florida make it much more difficult to organize unions.

Claremont's story

In April 1998, KSL purchased the 279-room Claremont Resort in Oakland, California. The Claremont was also a unionized hotel and KSL planned to go non-union, as it had done in Florida. However, this time, the Claremont workers found out about the sale in advance and mounted a public pressure campaign to protect their jobs. A full-page ad was run in the San Francisco Chronicle and the community responded to help the workers. KSL finally agreed to offer jobs to all the current employees without loss of seniority and full credit for years of service for vacation, sick leave, and other benefits. At first, KSL attempted to negotiate a contract with cuts in wages and benefits, but would later enter into an agreement that would maintain all wages and benefits at the current levels.

When that first contract expired in September 2001, KSL wanted substandard conditions and workers to pay more for family health care. After two years, Claremont workers are still fighting for a fair contract from KSL.

The hotel side was unionized, but 140 workers in the spa operations were non-union. In December 2001, the spa workers attempted to organize a union. KSL responded by running a classic anti-union campaign. By May 2002, conditions became so bad that the unionized workers and the spa workers called for a national boycott of the Claremont Resort. The City of Berkeley passed a resolution in support of the boycott, which continues to this day.

A "Boycott the Claremont Resort & Spa" website describes what guests can expect at the resort:

"Nestled in the hills of Oakland,

—continued on page 8

The "Grandest" Part of Grand Wailea is the People

The Best Thing To Do This Holiday Season

1. **What's best for Grand Wailea Resort, Hotel & Spa ...**
... to maintain the highest levels of service, especially during the busy holidays, to attract more visitors and keep them returning again and again?

AAA Five Diamond	Best Resort Spa in the World 1998
Five Star Service & Hospitality	Best Hotel in Hawaii 1999
2. **What's best for the people who work at Grand Wailea ...**
... to keep them from needless worry and uncertainty during this holiday season?
3. **What's best for the Maui community ...**
... to allay fears about any powerful corporations buying companies here and disrupting lives?
4. **What's best for KSL, the new owners of Grand Wailea ...**
... to continue the prestige and reputation for unmatched quality at this highly ranked resort?
5. **What's best for Maui's economy ...**
... to keep stable jobs and provide economic security?

The best thing is for KSL to keep all 1,200 Grand Wailea workers where they are — in their current jobs. It's not only the best thing to do, it's the right thing.

A message from ILWU members and their families

(Left) This ad ran in the Maui News in December 1998.

REPORT ON LOCAL CONVENTION

The term “rank-and-file” is defined as “those who form the major portion of any group or organization, excluding the leaders and officers.” The ILWU is a “rank-and-file” union because the membership is given the power to run and govern their union. The members elect the officers. The members set the policies and programs of the union, and the elected officers are bound to follow those policies and implement those programs.

ILWU rank-and-file unionism is opposed to the top-down, bureaucratic style of many unions where power is concentrated in the hands of a few top officers. In the ILWU, the members run the union, and that is why the Local Convention is the highest governing body within our union.

Every three years, ILWU members elect delegates to represent them at the Convention. These delegates review the work of the union and adopt the policies and programs to guide the union for the next three years. Convention delegates also approve the union’s budget which controls how the union spends money and how much the staff and

full-time officers are paid.

Finally, the actions of the Convention must be submitted to the membership of the union for their approval. This is why these ratification meetings are being held—to give members a report of what happened at the Convention and to get their vote of approval.

Five days of hard work

The 23rd Convention ran for five days from September 15-19, 2003, at the Ilikai Hotel in Honolulu. The theme of the Convention was “Defend Our Rights . . . Protect Our Union.” This theme reflects the need to defend our rights as workers and as citizens, rights that are being

undermined and attacked by the Bush Administration.

The Convention was attended by 407 delegates or observers, 47 fraternal (mostly retirees) delegates, and 80 guests. Maui Division had the largest group with 146 delegates, followed by Oahu with 128 delegates, then Hawaii with 70, and Kauai with 44.

On the last day of the Convention, the delegates nominated candidates for the three titled officers and the industrial grouping representatives to the Local Executive Board. The next Convention will be in September 2006.

Speakers

The following speakers addressed the Convention: Local 142 President Eusebio “Bo” Lapenia, Jr.; retired ILWU social worker Ah Quon McElrath; Ian Ruskin (as Harry Bridges); and David Gregory of the AFL-CIO. Senators Daniel Inouye and Daniel Akaka and Congressman Neil Abercrombie provided videotaped messages.

The four International ILWU officers also addressed the Convention: President James Spinoso, Vice President (Mainland) Bob McElrath, Vice President (Hawaii) Wesley Furtado, and Secretary-Treasurer Willie Adams. ILWU International

attorney Rob Remar also spoke.

A number of State Legislators served as a parliamentarian: Senator Rosalyn Baker; Rep. Eric Hamakawa; Rep. Roy Takumi; Rep. Scott Saiki; Rep. Sylvia Luke; and Rep. Thomas Waters. Retired ILWU member and former Maui Councilmember Goro Hokama also served as a parliamentarian.

Five committees

The work of the Convention was divided into five areas: 1) Constitution; 2) Officers’ Report, Organizing, and Resolutions; 3) Contract Administration, Safety and Health; 4) ILWU Programs - Membership Services, Publicity and Education, and Political Action; and 5) Finance.

Constitution

The ILWU Constitution sets the rules by which the Union and its members operate. It spells out the principles and objectives of the Union and sets up an open and democratic structure that ensures control by the membership.

A total of nine Constitutional amendments were submitted to the Convention. Six were adopted and three were withdrawn. The full text of the adopted amendments is printed below.

Constitutional amendments adopted by the convention

(Deletions are bracketed and struck through and additions are underlined.)

1. **C-1 - ARTICLE I**, Composition of the Union: Section 1.03.4.1. There shall be no disbursement of funds as payments to individual members or as reimbursements of Union dues. However, Union funds may be utilized as part of an authorized program to acknowledge bereavement, hospitalization, illness, retirement, outstanding service to the Union, or other similar circumstances which are customary and usual. For the purposes of utilizing funds to acknowledge retirement, this section shall be effective January 1, 1998 and shall apply only to units with pre-existing finance policies to acknowledge retirement.

2. **C-2 - ARTICLE II**, Officers, Committees, and Staff: Section 2.02.3 Division Officers: Division Director; Division Trustee; Local Executive Board Members; Business Agents. There shall be elected in each Division the following minimum number of Business Agents: Hawaii Division - Six (6) at large; Maui County Division - Six (6) at large; Oahu Division - Six (6) at large; Kauai Division - ~~Three (3)~~ Two (2) at large. (The number of positions is in effect January 1, 2004; no grandfathering.)

3. **C-3 - ARTICLE III**, Local Negotiating Committees and Caucuses: Section 3.01.1.2. Longshore

Industrial Grouping. Each Division shall have (1) basic longshore delegate who shall be the unit chair or a duly authorized representative. Oahu shall have (3) additional delegates. Oahu Longshore Chair shall attend all West Coast Longshore negotiation caucuses.

6. **C-6 - ARTICLE VII**, Local Executive Board: New paragraph after Section 7.02. If an issue is determined to directly affect the Business Agents, the Local Executive Committee may approve one (1) Business Agent from each Division to attend the Local Executive Board meeting at which the issue will be discussed. The Business Agents attending in this capacity will have voice but no vote.

8. **C-8 - ARTICLE XIV**, Elections: (NEW) Section 14.11. Campaign Donations. All candidates for full-time Local office shall accept campaign donations only from members and retirees of the ILWU. Donations shall mean direct cash donations, airline tickets, payment of hotel and car rental bills, and also payment of radio, television, campaign materials, and newspaper ad bills. Further, each candidate shall be limited to \$20,000 in total campaign expenditures. All candidates must provide a full financial disclosure statement to the Local Executive Board no later than the last Board meeting of the triennium. Such disclosure statements shall include all contributions received, listed by individual donor, and all money spent,

listed by type of expense.

Violations of this section shall cause the candidate to forfeit election. Candidate accountability under this section shall commence in the 2006 election upon acceptance of this Constitutional Amendment by the membership.

9. **C-9 - ARTICLE XXXI**, Agreements: Section 31.01. This Local may make any agreement with

any employer who grants our demands. ~~[First-time agreements with new employers shall be negotiated by the organizer(s) assigned, in conjunction with the Division, in accordance with the Local’s negotiating guidelines and procedures.]~~ The spokesperson for first-time agreements with new employers shall be assigned by the Titled Officers. The Organizer(s) may be called upon to negotiate or assist.

Union budget and finance

Adopted budget

Convention delegates unanimously adopted a three-year budget that maintains existing services of the union with no increase in union dues.

To avoid a dues increase, the budget requires some sacrifice by the full-time officers (FTO) of the union. The potential budget deficit was brought down to a manageable \$1.4 million over three years by suspending scheduled FTO pay increases, by freezing pension benefits, and by carefully managing spending in all program areas. There is a provision to allow the Titled Officers to unfreeze pension benefits and to pay FTO increases, if the financial situation of the union improves.

The primary reason for the deficit in the budget was a mandatory contribution of \$3.52 million to the ILWU Staff Pension Plan over the triennium. This was reduced to \$2.45

million by freezing pension benefits.

Changes in the Finance Policy

Proposed changes and clarifications to the Local’s Finance Policy are as follows:

1) The pay rates to be in effect January 1, 2004 are delayed and payable in three increments, however all increases are suspended, but may be released by the Titled Local Officers.

2) The Local will pay a lost wage supplement to ILWU Local 142 members of the International Executive Board (lost wages less any payments from the International Union).

3) The Oahu Longshore Unit Chair shall attend West Coast Longshore negotiation caucuses.

4) Clarifies that when housing

REPORT ON LOCAL CONVENTION

Contract Administration

The Union continues a strategy of targeting and focusing additional resources for mobilizing members for selected negotiations—particularly in the hotel industry.

A new State law, the Uniform Arbitration Act, provides for pre-arbitration conferences if the collective bargaining agreement is silent. These agreements should be changed to specifically state that a pre-hearing conference is only allowed by mutual consent.

Contract Negotiation Policy on Favored Nations Agreements (“FNA”). Currently there are half a dozen contracts that contain FNA language. Through negotiations there has been a modest success in getting some hotels to agree to temporarily refrain from asserting the FNA language or getting them to agree to limit the scope of the FNA language to only apply to certain other hotels.

Substance Abuse Policies. The union has a sample workplace drug policy that seeks to balance the rights of individuals accused of substance abuse and the rights of other members to privacy and a safe workplace. The union’s position is that individuals with a drug problem need help and should be given a chance to be rehabilitated before punishment is considered. The union also opposes random testing because of the tendency for management to misuse such testing, that it intrudes on the privacy rights of all members, and the tests that are used do not measure impairment or inability to do the job.

Contract enforcement

1) Grievances filed: A total of 2,287 grievances were filed in the last Triennium;

Sept. 2000 to Aug. 31, 2001 821
Sept. 2001 to Aug. 31, 2002 867
Sept. 2002 to Aug. 31, 2003 599
Total 2,287

2) Arbitrations. The total number of grievances which have been arbitrated or are pending arbitration as of September 1, 2003, is 74, as compared to 78 for the 1997-2000 triennium and 83 as reported at the 1994-1997 three-year period. Of the 62 grievances which were approved for arbitration and are now closed, 19 were settled prior to the conclusion of the arbitration proceedings, 22 were lost, and 21 were won.

• 21 won/22 lost (48% of arbitrations won) in the 2000-2003 triennium;

• 13 won/11 lost (54% of arbitrations won) in the 1997-2000 triennium;

• 15 won/9 lost (63% of arbitrations won) in the 1994-1997 triennium;

• 12 won/18 lost (40% of arbitrations won) in the 1991-1994 triennium.

Safety and health

Each unit should strive to have a safety and health committee. It shall be advisory to the Unit Executive Board and the agenda of the UEB meetings should include Safety and Health. The Unit’s safety and health committee should provide advice and make recommendations to management on safety and health matters. All contracts should include a section on safety and health.

It is important to make it clear that where Union members are part of a safety committee: that the committee only makes recommendations, that it is not authorized or obligated to discipline employees for safety violations, and that ultimately, the actions taken are the employer’s responsibility and not the Union’s.

Recommendations:

1) The Union should use the improving economic conditions in the

State to roll back concessions given in earlier years and to push for better contracts.

2) The Union should develop a more structured process of “de-briefing” all negotiations, where the negotiation strategies used are reviewed and an analysis of their effectiveness is reported. Other units can then learn from the experience and determine what strategies might be best suited for their unit or industry.

3) The Union should constantly monitor activities of the State Legislature to keep track of new laws which may affect our collective bargaining agreements and use the information and experiences in contract administration to improve our labor laws so that they work in concert with and further bolster the provisions in our collective bargaining agreements.

4) The Union should delete “Favored Nations Agreements” from contracts as they are re-negotiated.

5) The Union should negotiate substance abuse policies that limit testing to safety sensitive jobs or require clear and convincing evidence of impairment due to substance abuse, that make a rehabilitation treatment program available after the first violation, and that requires submission to a rehabilitation treatment program after the second violation with a last chance agreement. The Union should confirm that it is concerned about providing its members with a safe working environment and is therefore willing to agree to a substance abuse policy, as provided in the sample form approved by the Local Executive Committee.

6) The Union should continue its

commitment of money and resources to reduce and eliminate backlogs in the grievance handling process wherever it may be to provide members with swift resolutions to their grievances.

7) The Union should address safety and health concerns as they arise, whether they are in the form of substance abuse policies, workplace violence policies or laws regarding the privacy of health care information.

8) The Union should continue to negotiate to include union shop language in all contracts, and oppose attempts by employers to impose open shop language.

9) The Union should negotiate to include no-subcontracting clauses in all contracts; or if not possible or where subcontracting language already exists in the contract, the Union should negotiate to amend such language to require a subcontractor to hire all bargaining unit members displaced by subcontracting and to require the subcontractor to provide the same wages, benefits, and other contractual rights provided in the collective bargaining agreement (including, but not limited to, seniority) to the displaced employees.

10) The Union should negotiate to include successorship language in all contracts that: (a) requires prior notice to the Union of any sale or similar management change; (b) requires that all employees be hired by the successor; (c) requires that the successor recognize the Union as the sole and exclusive bargaining agent for the employees effected; (d) requires the successor’s assumption of the existing contract as a condition of the sale or transfer; and (e) do not require the Union to post a bond or other security as a condition to enforcing the successorship clause and assumption of the contract by the successor.

11) The Union should, when a contract is about to expire, always negotiate for an extension of at least the union security and grievance procedure provisions of the contract; and where an extension is not possible, to aggressively enforce the status quo.

12) The Union should protect the individual rights of its members by negotiating (if applicable): (a) surveillance camera policies that provide that no disciplinary action can be taken based on what is revealed by the cameras; (b) search policies that require the presence of a Union official when a search is performed; (c) lie detector test policies which conforms to the requirements of state and federal laws; (d) the impact of all new technology (including, but not limited to, biometric finger-scanning technology) so that such use will not

is provided, daily subsistence will be no more than the federal formula.

5) Clarifies that the Titled Local Officers can make donations on behalf of the Union, but in amounts not greater than \$3,500.00.

6) Clarifies that current officers or members who are covered by the Staff Pension Plan, but who would have received a higher benefit from their original employer’s pension plan, will get the higher pension amount. However, for new employees it is understood that they will get the Staff Pension Plan benefit only.

7) Clarifies that if someone takes any portion of their pension benefit in a lump sum, they shall not qualify for paid medical coverage.

8) Updates plane reservations policy to conform to the current situation.

9) The refund of the first month of Local dues to the unit is suspended except for newly organized units.

Affordable prescription drugs for ILWU retirees

The Twenty-third Convention of the ILWU Local 142 strongly supports efforts to ensure the affordability of retiree health benefits for existing and future retirees by approving the following:

1) Authorize the LEB to establish the ILWU Local 142 VEBA Trust for the following purposes: (a) to assist existing retirees with purchasing group medical and prescription drug coverage; and (b) to establish post-retirement benefits for future retirees with a minimum of 9,000 participating members.

2) Establish the VEBA trust by January 1, 2004.

3) The post-retirement benefit for future retirees will be established effective January 1, 2005, provided the number of units which ratify this resolution have a total of at least 9,000 members that will contribute to the VEBA Trust.

4) No later than November 1, 2004 and thereafter, the Union will collect monthly contributions of \$3.00 per dues-paying member from those units which have agreed to fund the post-retirement benefit for future retirees.

5) Authorize the LEB to be the appointing authority for the Board of Trustees for the VEBA Trust.

6) Authorize the liquidation of ILWU’s interest in Union Insurance Service and designate those liquidated monies to be paid directly to the VEBA Trust to avoid any taxable consequences to those monies.

REPORT ON LOCAL CONVENTION

Membership Services

The ILWU has a proud tradition of rank-and-file members believing in the union and willing to fight for it. Members who understood and were committed to our slogan, "An Injury to One is an Injury to All."

In the early days, struggle was constant and sticking together was imperative. Now, some members have become comfortable, complacent, and see the union only for the service it can provide them. But we need to be reminded that the union is only as strong and only as effective as each member's ability to understand the issues and to fight for the rights of all workers.

The Union's strength has been challenged by employer proposals to eliminate or weaken union security language. The union now must counter these attacks by going back to basics and using one-on-one organizing tactics to reach out and educate each member. Management wants to disrupt and divide the union. But if each member understands the purpose of *their* union and the value of union membership, we can be a powerful force.

Building member solidarity should be the job of each member. Whether you're an officer, a steward, or a rank-and-file member with no title, you can be an organizer by talking to new hires, welcoming them into the union, informing them about the union contract and union activities, and asking them to get involved.

Membership service can help you reach out to your members. Members who believe that the union is concerned about their well-being and their family's are more likely to trust the union, to get involved, and to help *build union power* in the workplace.

Some of the issues and projects taken up the past three years were:

1) **New Member Orientation.** Currently, the orientation includes providing a *Guide for New Members* to each new member, along with a contract and an orientation by an officer, steward or member. A New Member Video was developed to assist units with this orientation.

2) **Response to events of 9/11.** The events of September 11 resulted in reduced work hours and layoffs for ILWU members and others in the tourism industry. The State Legislature appropriated \$1 million for housing assistance and \$1 million for food, provided an extension of unemployment benefits, and developed special medical plans for laid-off workers. With help from food banks and the Labor's Community Services Program, the ILWU distributed food boxes on Oahu, Maui and Lanai to workers in need. The union also referred members to agencies providing relief.

3) **Prescription drugs for sugar retirees.** In 1999, the ILWU set up a

drug plan for sugar retirees through the University Health Alliance (UHA) for some 800 retirees from Ka'u Sugar, Grove Farm, HCPC and Hamakua Sugar. In 2001, UHA was forced to cancel the plan and another plan was secured through HMSA with the same benefits but at a higher premium. In 2002, however, HMSA cancelled its plan, citing increased costs. Since then, the union has assisted retirees to use HMSA's mail-order service for 65C Plus members and drug manufacturers' discount cards. Currently, no drug plan is available to retirees on an individual basis and no carrier is willing to offer a group plan. As a result, many retirees are paying large amounts for their medications each month.

4) **Prescription drug legislation.** With leadership from Rep. Takumi and Senator Menor, two bills were passed in 2002 to control costs of prescription medication. However, Governor Lingle has doomed implementation of both laws, favoring her own program to assist 20,000 low-income people with free medication from drug companies. The bills passed by the Legislature would have helped more than 120,000 uninsured Hawaii residents. More work is required to make prescription drugs affordable in Hawaii.

5) **Ka'u Clinic.** The ILWU has long advocated for funding of state hospitals as the means to ensure quality health care in rural areas where many of our members and retirees live and will continue to advocate for clinics like Ka'u to be responsive to community needs.

6) **Long-term care legislation.** For more than a decade, the ILWU advocated for legislation to address the cost of long-term care. Legislation finally passed this year, but was vetoed by Governor Lingle who said benefits of \$70 a day for 365 days did not justify a tax of \$10 a month. The Governor ignored advocates who said the bill was intended to support caregivers and allow long-term care to be provided in a person's own home.

7) **Women's Committees.** A Women's Committee was formed at the Local level in 1998 and Division Women's Committees formed thereafter. Committees on Maui, Hawaii and Kauai continue to be active.

8) **Harriet Bouslog Labor Scholarship.** Established in 1989 through the generosity of Harriet Bouslog and her husband, Stephen Sawyer, the scholarship has provided tuition assistance to 125 ILWU children and grandchildren attend-



ILWU members participate in workshops, now a regular part of the Local 142 Convention. This Convention featured 21 presentations in the Briefing Sessions which gave delegates a broad education on what is happening in this country.

ing the University of Hawaii.

9) **Dislocated workers.** Assistance was provided to the following: Amfac Sugar Kauai; Dole Tropicals; Hawaiian Waikiki Beach Hotel; Maui Oceanfront Inn; Hawaii Motors; Hawaii Baking; Maui Pine Honolua and Cannery (partial); and Del Monte HCFO (partial). "Useful Information" and other materials were developed for dislocated workers.

10) **Union solidarity events.** The ILWU has actively worked to promote solidarity among labor unions, supporting strikes by other unions (e.g., HSTA, UHPA, Hawaii Nurses Association, Teamsters) and participating in Labor Day activities.

Recommendations

1) **Revive the New Member Orientation program with an emphasis on the orientation, not the forms.** Personal contact between the new member and the union representative can make a huge difference in how the new member perceives the union and whether or not the member will get involved. Orientation can be at or on the job during breaks or before/after work. Even a simple hello and introduction can lead to future opportunities to talk about the union.

2) **Continue assisting individual members and families.** The union's ability to assist with matters of personal concern to them can serve to strengthen our bond with them.

3) **Continue networking with public and private organizations.** The union must continually be connected and informed about issues and resources. In addition, our involvement in the community serves to enhance the ILWU's image and role.

4) **Build union solidarity.** The strength of union influence in the community depends on the cohesiveness and solidarity of unions working together on common objectives.

Activities like Labor Day events, labor's community services, and support for charitable organizations should be continued.

5) **Continue assistance to dislocated workers.** ILWU members who leave the union with positive impressions are more likely to speak well of the union and be supportive of organizing.

6) **Promote the ILWU Associate Member program.** Dislocated workers and others should be encouraged to continue their association with the ILWU as Associate Members.

7) **Continue involvement in issues which impact our members.** The ILWU must take a leadership role in issues like long-term care financing, affordable prescription drugs, rural health care, and living wages.

8) **Continue support for the Harriet Bouslog Labor Scholarship.** The Bouslog Labor Scholarship should be actively promoted among members as a valuable resource for children seeking higher education at the University of Hawaii.

9) **Promote the ILWU Oral History Project.** This project seeks to preserve the people, history and character of the ILWU through interviews of our members and retirees.

10) **Develop workshops to provide information on community resources and topics of interest.** The union can set up workshops on topics like consumer credit counseling, parenting, financial planning, and community resources.

11) **Continue ILWU sports program.**

12) **Continue ILWU housing program.**

13) **Continue support for ILWU pensioner programs.**

REPORT ON LOCAL CONVENTION

Publicity and Education

The ILWU is a democratic, rank-and-file union that is built on the conviction that working people are fully capable of acquiring all the skills needed to run their own union. In addition, rank-and-file democracy and control of the ILWU requires an educated and informed membership and unit and full-time officers who get the support and training they need to do the work of the union. This is why ILWU Local 142 has run its own education program since 1946 that focuses on developing the skills and knowledge of union officers and members.

Education for Unit Officers and Stewards

Grievance Handling - 14 one day classes were held for 307 stewards and unit officers. This class covers the job of the steward, the grievance procedure, how to understand and use the contract, and a short section on the importance of political action.

Mobilizing Our Units - 6 one day leadership classes were held with 140 unit officers. These leadership classes cover the job of unit officers, the structure of the ILWU, skills needed to run a unit, and how to set up specific programs such as new hires orientation, voter registration, or one-on-one member mobilization.

Treasurers classes are run by the Local Secretary-Treasurer for all unit treasurers on the proper way to handle unit funds, how to put together a budget and finance policy, and insuring that new members are signed up and paying dues.

Advanced Leadership - one Labor Institute was held, attended by 90 people. The Institute's 5-day program focused on contract campaigns—how to research your employer; how to build membership power; how to put pressure on your employer.

Full-time Officers - two programs were held, attended by 62 full-time officers (FTOs). A Labor Law Conference was held in September 2001 to update FTOs on the changes in state and federal labor laws. The Mobilizing Project summed up the lesson learned in the mobilizing campaign at the Royal Lahaina Resort for FTOs in August 2002.

Political Action Classes - 3 programs were held for the Division Political Action Committees, attended by 95 people. These classes covered the difference between Democrats and Republicans and the anti-union legislation proposed by Republicans; reviewed the gains the union made through political action; explained how the union makes endorsements; and discussed the proposed PAC programs of voter registration, member education, and candidate support.

Convention Workshops and Briefing Sessions - Educational

Workshops are now a regular part of the Local 142 Convention. This Convention featured 21 presentations in the Briefing Sessions which gave delegates a broad education on what is happening in this country.

Publicity Activities

Voice of ILWU - The union's eight-page newspaper is mailed to all ILWU members and retirees upon request. The VOICE keeps members informed on the work of the union, issues that affect working people, and contains legal notices such as elections and balloting information.

Unit Bulletins - Thirty-one unit editors published bulletins during this triennium. Most of these editors publish monthly and a few publish bulletins as needed. The bulletins serve to strengthen the union at the unit level.

Union Pamphlets - Our Education Department is responsible for a number of pamphlets, including the "Guide for New Members" and revising the ILWU Constitution and Bylaws.

Shirts and Hats - Building Pride in Our Union - We continue to offer a full line of ILWU logo ware shirts, hats, and jackets which give the ILWU exposure and encourage our members to show pride in their union.

Promoting the ILWU and Unionism in the Community - The ILWU supports the production of educational programs on the ILWU, labor history, or unionism which can be used for new hire orientations and high school students. The union supported the production of Ian Ruskin's one-hour radio program—"From Piers to Plantations — a Union in Hawaii" and a program on former ILWU attorney Harriet Bouslog, produced by the Biography Series and shown on Public Television this month.

Education recommendations

The same basic education program is proposed for the next triennium—grievance handling classes, leadership classes, and a 5-day labor institute. As 2004 will be a critical political year, more priority will be given to leadership and political action classes over grievance handling classes in 2004. The Labor Institute will be held in 2005 or early 2006 and will probably be held at 451 Atkinson Drive in Honolulu.

Publicity recommendations

We propose continuing and strengthening the same publicity program for 2004-2006—consisting of the Voice of ILWU, Unit Bulletins, and the Shirts and Hats program. Promoting the ILWU and unionism - we should continue this program to the extent our finances permit.

Rank-and-file democracy and control of the ILWU requires an educated and informed membership and unit and full-time officers who get the support and training they need to do the work of the union

Library and Archives

The Local 142 library has played a vital role in the daily operations of the ILWU since its beginnings, serving the informational needs of the union in the areas of collective bargaining, organizing, contract administration, education, political action, and membership services.

The library continues to have three major functions: to provide reference sources to support union activities, to maintain the records of Local 142, and to preserve materials related to the history of the ILWU in Hawaii.

The renovation of the ILWU headquarters at 451 Atkinson greatly improved the physical environment of the library and expanded the previous space by about 50 percent. The improvements were designed to make more effective

use of space and to preserve the union's important documents, publications, and artifacts for as long as possible.

The library and archives staff provides reference services to Local and International titled officers and FTOs, Local administrative and clerical staff, union members, and other authorized library users.

With the renovation and expansion of the library facilities, the library and archives staff now has the opportunity to further develop reference services, to assist in systematizing the flow of records within the union, and to organize, better preserve, and make available materials that document the history of Local 142.

ILWU Sports

Started in 1953, the ILWU Local Sports Program has the distinction of being the oldest of its kind in Hawaii and is the envy of many Unions. The late Brother Saburo Fujisaki molded and nurtured the ILWU Sports Program with the help of the rank and file during the early years. The late Brother Fred Paulino continued the work after Brother Fujisaki retired and worked diligently to improve and add to the Sports Program until his death in August 1993.

The Convention adopted MS-2, a budget of \$60,000 for the Sports Program (MS-2a), and Sports Program Policy and Rules (MS-2b).

The eligibility rules remain unchanged: Only Local 142 members in good standing, their spouses, pensioners and spouses, and dependent children attending school full-time and members of the ILWU office staff and spouses are eligible to participate in all activities. A special rule "grandfathers" chartered members of ILWU Golf Clubs who were registered members as of 1961 in recognition of the role they played in setting up the clubs. West Coast, Canada or Alaska ILWU members in good standing may participate in state, island golf-bowling tournaments as "regular members."

Future State Tournaments

1) Men's Fast-Pitch Softball — Single Elimination: Kauai - May 14-15, 2004; Maui - May 13-14, 2005; Hawaii - May 12-13, 2006.

2) Men's Slow-Pitch Softball — Single Elimination — Hawaii - September 24-25, 2004; Kauai -

September 23-24, 2005; Maui - September 29-30, 2006.

3) Golf — 36 holes, Mixed - Hawaii - September 4-5, 2004; Kauai - September 3-4, 2005; Oahu - September 2-3, 2006.

4) Bowling — Mixed - Hawaii - November 26-27, 2004; Kauai - November 25-26, 2005; Oahu - November 24-25, 2006.

5) Men's Basketball — Kauai - December 10-11, 2004; Hawaii - December 9-10, 2005; Oahu - December 8-9, 2006.

Division Activities

1) Softball — Men's Leagues - Each Division has the option of organizing a fast-pitch, slow pitch or mountain ball league. Women's leagues are optional depending on interest.

2) Golf — Clubs will play monthly/twice monthly/quarterly tournaments, whichever best suits the needs of the membership.

3) Bowling — Mixed men's/women's leagues - dates, mode of play, optional by Division.

4) Basketball — Men's leagues geared to December state tournaments. Women's leagues—optional within each Division.

5) Other sports are optional within each Division.

6) Out-of-State Tours - Bowling, softball, and golf tours may be explored for the next three years.

KSL's bad labor relations—continued from page 3

the Claremont Resort is embroiled in a major labor dispute with its workers, featuring picket lines, early morning rallies at various times from dawn to dusk, and a boycott endorsed by political, religious, and community leaders throughout the Bay area.”

Learn more about the dispute by clicking the links above. <http://www.boycottclaremontresort.org/>

Biltmore Resort's story

In December 2000, KSL acquired the 730 room Arizona Biltmore Resort and Spa in Phoenix. The union there represents less than one percent of the workforce. Arizona is also a right-to-work-for-less state, so a union with only one percent of the workforce will have little bargaining or legal power to make much improvement in the terms of their contract.

La Costa's story

In November 2001, KSL bought the La Costa Resort, outside of San Diego, California. The 450 workers at that resort are members of HERE Local 30. They have been demonstrating and signholding for a fair settlement since their contract expired in April 2002. La Costa Resort is also on the boycott list of the Hotel Employees and Restaurant Employees Union (HERE).

A story in the San Diego Union-Tribune on August 2, 2002, reported

on a union demonstration at the Acura Classic tennis tournament being held at the hotel.

“About 75 members of the Hotel Employees and Restaurant Employees Local 30 held banners along El Camino Real claiming La Costa isn't negotiating a fair contract. In all, the union represents 450 workers at the luxury, 479-room Carlsbad resort near San Diego. Contract expired April 30, 2002. In addition to the protest outside, the union hired an aircraft to tow a banner overhead, and union supporters attended the matches wearing T-shirts with pro-union slogans. Union organizers said no disruptions would occur during the tennis matches themselves, which feature the world's top female players.”

KSL vs workers

It's not the workers. The source of the bad relations with workers appears to be KSL management itself. KSL owns or operates eight properties and at least three of them are constantly embroiled in labor disputes with KSL—Claremont, La Costa, and Grand Wailea. It appears that KSL is unable or unwilling to work productively with a unionized workforce. This is in contrast to the vast majority of other unionized companies where management and workers have respectful and productive relationships.

ILWU Local 142— Important notice on Political Action Fund

Articles XXXIII of the Constitution and Bylaws of ILWU Local 142 as amended to October 1, 1991 reads:

“**Section 1.** The Local Political Action Fund shall consist of voluntary contributions. The Union will not favor or disadvantage any member because of the amount of their contribution or the decision not to contribute. In no case will a member be required to pay more than their pro rata share of the Union's collective bargaining expenses.

“**Section 2.** The Local Convention shall determine the suggested amount of contribution to the Local Political Action Fund by each member. Individual members are free to contribute more or less than the guidelines suggest. Monies paid into the Fund will be contributed only on behalf of those members who voluntarily permit that portion of their unit dues to be used for that purpose.

“**Section 3.** Those members who do not wish to have any portion of their unit dues diverted to the Local Political Action Fund, but who wish to make a political action contribution directly to the Fund, may do so in any amount and whenever they wish.

“**Section 4.** Voluntary contributions to the Local Political Action Fund will be made during the month of December. Each September, October and November, each dues paying member of the Local shall be advised of their right to withhold the suggested contribution or any portion thereof otherwise made in December. Those members expressing such a desire on a form provided by the Local shall be sent a check in the amount of the suggested contribution or less if they so desire, in advance of monies being collected for the Fund.”

Members of the ILWU who wish to contribute more than \$4.00 per regular member may do so by sending a check in the desired amount, made out to the ILWU Political Action Fund, directly to the Local office.

More than \$4.00

I wish to contribute more than the minimum voluntary contribution of \$4.00 to the ILWU Political Action Fund. Enclosed please find my check for \$_____.

Less than \$4.00

I do not wish to contribute the entire \$4.00 to the ILWU Political Action Fund. I will contribute \$_____. I understand that the Local will send me a check for the difference between my contributions and \$4.00 (\$2.00 for intermittents) prior to December 1, 2003.

No Contribution

I do not wish to contribute to the ILWU Political Action Fund. In order to ensure that no portion of my dues payment is allocated to the Fund, and recognizing that I have no obligation whatsoever to make such a contribution, the Local will send me a check in the amount of \$4.00 (or \$2.00 for intermittents) prior to December 1, 2003.

signature _____

name (please print) _____

address _____

unit# _____ social security # _____

return to: ILWU • 451 Atkinson Drive • Honolulu, HI 96814

ILWU Political Action Fund Contributions are not tax deductible.

Pension information for ILWU Hotel Members

This is a summary of the annual report for The Hotel Industry - ILWU Pension Plan, Federal I.D. #99-6027621, for the plan year beginning on January 1, 2002 and ending on December 31, 2002. The annual report has been filed with the U.S. Department of Labor's Pension and Welfare Benefits Administration under the Employee Retirement Income Security Act of 1974 (ERISA).

BASIC FINANCIAL STATEMENT

Benefits under the plan are provided by contributions from employers of plan participants. Plan expenses were \$7,934,095. These expenses included \$1,304,418 in administrative expenses and \$6,629,677 in benefits paid to participants and beneficiaries. A total of 13,837 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$143,018,198 as of December 31, 2002, compared to \$168,966,152 as of January 1, 2002. During the plan year, the plan experienced a decrease in its net assets of (\$25,947,954). This decrease includes unrealized appreciation or depreciation in the value of the plan assets; that is, the difference between the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of (\$18,013,859), including employer contributions of \$1,614,020, losses from sale of assets of (\$10,398,923), and earnings from investments of (\$9,205,692).

MINIMUM FUNDING STANDARDS

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the Minimum Funding Standards of ERISA.

YOUR RIGHT TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The item(s) listed below are included in that report:

1. An accountant's report;
2. Assets held for investment;
3. Fiduciary information, including transactions between the plan and parties-in-interest (that is, persons who have certain relationships with the plan); and
4. Actuarial information regarding the funding of the plan.

To obtain a copy of the full annual report or any part thereof, write or call the office of Pacific Administrators, Inc., who is the Plan Administrator, 1221 Kapiolani Boulevard, Suite 900, Honolulu, Hawaii 96814, (808) 441-8600. The charge to cover copying costs will be \$23.25 for the full annual report, or \$.25 per page for any part thereof.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the Trust Fund Office, 1221 Kapiolani Boulevard, Suite 900, Honolulu, Hawaii 96814, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs.

Requests to the Department of Labor should be addressed to: Public Disclosure Room, Room N1513, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, Washington, D.C. 20210.

ILWU Local Convention Report Contract Administration—continued from page 5

infringe on members' individual privacy rights; and (e) attendance policies that do not allow the legitimate use of sick leave to be used for disciplinary purposes.

13) The Union should make efforts to re-introduce industry-wide bargaining in the tourism industry as a means to negotiate higher standards of wages, benefits, and working conditions. The first step in this process is to negotiate the duration clause in all of the hotel contracts so that they expire at or around the same date.

14) The union should continue to advocate and negotiate for the establishment of a Health and Welfare Fund for all industries.

15) The Union should encourage all members and units to support the members of Royal Lahaina Resort, King Kamehameha's Kona Beach Hotel, KSL Grand Wailea Resort, Inc., and Hyatt Regency Maui in their struggle for a better contract.

16) The Union shall endeavor to negotiate an expanded definition of "wages" to mean all monies earned (i.e. wages, tips, gratuities, service charges, portage, etc.).