



MEMORANDUM

TO: All Teamster/Oak Harbor Members

FROM: John A. Williams, President
Teamsters Joint Council No. 28

DATE: April 12, 2010

RE: **Oak Harbor**

This memorandum is intended to give you an update on the upcoming National Labor Relations Board (NLRB) trial, and to present to you a summary of a contract proposal that will be submitted to your employer in advance of contract negotiations scheduled on April 15, 2010. All Local Unions representing Oak Harbor members are presenting this memorandum at all facilities and are available to review it with you and answer any questions. The Unfair Labor Practice Complaint issued by the NLRB against Oak Harbor, which describes the charges that are the subject of the trial, and a complete copy of the union's contract proposal to the employer will be available at www.oakharborteamsters.com April 12, 2010.

A hearing before an Administrative Law Judge (ALJ) is scheduled to begin on June 29, 2010. Given the number of unfair labor practice charges and the complexity of the case, a decision from the ALJ could take as long as a year to issue. In the meantime, negotiations have been scheduled April 15 at the Federal Mediation and Conciliation Service, and a mediator will be present with the parties. It is possible that these negotiations could resolve some or all of the charges that are scheduled for hearing.

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The Union's contract proposals include the following important features:

- Retains key provisions of the current no subcontracting provisions with some modifications;
- Modifies several bidding procedure rules, but keeps the most important bidding rights intact;
- Protects regular workweek guarantees and also provides the employer greater workday and workweek flexibility;
- Modifies the probationary period and its application;
- Retains accrued time loss disability but eliminates future accrual of time loss disability;
- Retains key provisions of the discipline and grievance procedures with some modifications;
- Continues the company health & welfare plan, with progressive funding caps for active employees;
- Provides for retiree health & welfare coverage under the Washington State Retiree Welfare Trust for all employees (except those Oregon members who are already retired under the Local 206 plan) subject to Trust approval;
- Continues participation in the Western Conference of Teamsters Pension Trust at the current contribution rates; and,
- Protects current wage scales, but no wage increases for the remainder of the contract duration (expires 10/31/13).

This union proposal was developed as a counter to the employer's most recent offer. It is your Union Bargaining Committee's judgment that this proposal has the best chance of providing a structure for a settlement to be achieved prior to the ALJ hearing. If this round of bargaining leads to a proposal

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that can be recommended by your Union Committee, there will be a ratification vote scheduled. The ratification process will include a complete discussion of all terms of the offer, implications of ratification or rejection, and other matters the membership will need to make an informed vote.

In summary, your Union Bargaining Committee recognizes that the opportunity to settle your Labor Agreement prior to the ALJ hearing warrants the steps taken to present this proposal in the upcoming negotiation meeting. Although our attorneys are confident that we have a good chance to prevail in that hearing, there is always a chance that we could have an adverse decision that could undermine our future bargaining position. There are other factors including the state of the economy, other union and non-union trucking labor rates, and the health of your employer that are being considered in the current negotiating opportunity. How such factors may change, or not change if we do not settle a labor agreement at this time have also been weighed by your Union Committee.

Obviously, it will depend on whether the company recognizes the value of settling the Labor Agreement at this time. Given the fact that the Union workforce will ultimately require that a Collective Bargaining Agreement be resolved, that the business is slowly improving, and the good working relationships that are returning throughout the union terminals, it would be reasonable for the employer to seek a settlement at this time. The proposal being submitted by your Union constitutes a fair basis for both sides to go forward.

JAW/kah