

Final Offer -- Accepted

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Food Employers Council, Inc.

2599 SOUTH FLOWER STREET, LOS ANGELES, CALIFORNIA 90007 • PHONE: (213) 749-930

January 3, 1974

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9-5-74

Mr. J. L. Vercruse, Chairman
Teamsters Joint Council (42)
Food Negotiating Committee
1616 West Ninth Street
Los Angeles, California 90015

Dear Mr. Vercruse:

On behalf of the employers represented by this organization in the current food industry-Teamster negotiations, we are authorized to make the following final proposals for settlement of the terms of the several collective bargaining agreements between those employers and the Local Unions represented by you in those negotiations:

1. (a) The industry proposes the following language be added as a final paragraph to the Grievance and Arbitration procedures of all agreements:

"Notwithstanding the arbitration procedures set forth in this Article, nothing contained herein shall prevent any individual employer and union from agreeing to and conducting an expedited arbitration as a substitute for Paragraph of this Article and establishing their own rules and procedures for such arbitration. Any award resulting from such expedited procedure shall be final and binding upon the parties."

(b) Preface Paragraph D of the Grievance and Arbitration Articles with the following phrase:

"Except for disputes or disagreements involving discharges or suspensions....."

(c) Add a NEW Paragraph E to the Grievance and Arbitration Articles to read as follows:

"In disputes or disagreements involving a discharge or suspension, the procedures and principles set forth in Paragraphs A, B and C of this Article shall apply. If any dispute involving discharge or suspension is not resolved under Paragraphs B and C of this Article, either party may, no later than seven (7) days from the expiration of the time limits in Paragraphs B and C, submit the matter, in writing, to an Adjustment Board.

2453 letters (2)
sent 5/9/74 to
Teamsters Joint Council #42
& Food Employers Council, Inc.
for
London Agreement
2. Young
Warehouse
3. Food Products
Warehouse
Agreement
4. Wholesale
Delivery
Agreements

Some
#6302

- OFFICERS**
- Robert K. Fox
President
 - Charles J. Futterman
Chairman of the Board
 - Arthur D. MacDonald
Vice Chairman of the Board
 - C. L. Pecchenino
Vice Chairman of the Board
 - Roger M. Laverly, Jr.
Secretary-Treasurer
 - John W. Bacon
Vice President

- GOVERNORS**
- A. J. Crosson
Arden-Mayfair, Inc.
 - William H. Dyer, Jr.
Lucky Stores, Inc.
 - Claude W. Edwards
Alpha Beta
Acme Markets, Inc.
 - Joseph P. Hughes
Hughes Markets, Inc.
 - N. William Johnson
Save Mart of Modesto
 - Roger M. Laverly, Jr.
Thriftemart, Inc.
 - Arthur D. MacDonald
Coca Cola
Bottling Co. of L.A.
 - John H. Musso
Quality Foods, Inc.
 - C. L. Pecchenino
Purity Stores, Inc.
 - Albert Ralphs, Jr.
Ralphs Grocery Company
 - Quentin Reynolds
Safeway Stores, Incorporated
 - Arthur Rosenberg
Food Fair Stores, Inc.
 - J. L. Scott
Albertson's, Inc.
 - Wilfred L. Von der Ahe
Vons Grocery Company
 - George R. Wong
Bel Air Markets
 - Gene T. Yee
Dick's Super Markets

Mr. J. L. Vercruse, Chairman

January 3, 1974

Such Adjustment Board shall be composed of three representatives of the Union to be appointed by Joint Council of Teamsters No. 42 and three representatives of the Employer to be appointed by the Food Employers Council, Inc. Neither the Union nor the Employer involved in the dispute shall have a representative on the Adjustment Board. The Union representatives shall be three persons, one each from three Local Unions other than the Local Union involved in the dispute and shall be persons who are regularly engaged in the negotiation and/or administration of Teamster-food industry collective bargaining agreements. The Company representatives on the Adjustment Board shall be three persons, one each from three companies in the wholesale grocery bargaining unit and shall be persons who are regularly engaged in the negotiation and/or administration of Teamster-food industry collective bargaining agreements.

Meetings of the Adjustment Board shall be called by Joint Council No. 42 and the Food Employers Council, Inc., within seven (7) days after receiving written request from the grieving party, and the Adjustment Board shall make its decision known to the parties no later than the first working day following the conclusion of its meeting. The decision of a majority of the Adjustment Board upon the question in dispute shall be final and binding upon the parties hereto, provided that the Board shall not have the authority to change, alter, or modify any of the terms or provisions of this Agreement.

If a majority decision is not reached by the Adjustment Board, the issue and all stipulated facts shall, the following day or later by mutual agreement, be submitted in writing to an impartial arbitrator selected in accordance with a mutually agreed-upon procedure for hearing and decision. Except as set forth below, the arbitrator shall render his decision in writing to the parties within seven (7) days following the close of the hearing. However, the arbitrator may require a transcript of the proceedings and may require written briefs within a 30-day period following the close of the arbitration hearing. In the event that a transcript and/or briefs are required by the arbitrator, the arbitrator's decision shall be rendered in writing to the parties no later than fifteen (15) days following receipt by the arbitrator of both documents.

Mr. J. L. Vercruse, Chairman

January 3, 1974

Failure to receive either the transcript or the briefs within the time limits specified above shall in no way delay the arbitrator's decision and such decision shall be rendered within the time limits set forth above, regardless of the time of receipt by the arbitrator of the transcript and/or the briefs.

2. The industry proposes the following language be added as a Paragraph C of Article I to all agreements:

"A. The Employer agrees to abide by the jurisdictional rules and decisions of Teamsters Joint Council #42. This provision shall have no effect on the Employer's methods of distribution and work assignment except that the employee or employees in question shall hold membership in the Local Union designated by Joint Council #42."

In addition to the above, the following should be added to all drivers' agreements only, including the Frozen Food and Produce Agreements:

"B. It is recognized that the different methods of operation by the several companies covered by this Agreement have required, from time to time, the establishment of varying company practices as well as understandings between unions and companies on the matter of driver assignments. Subject to Paragraph A above, it is agreed that nothing contained in this Agreement shall prevent any individual company and union or unions from reaching an agreement or agreements pertaining to systems or methods of driver assignment and matters relating thereto."

3. The industry proposes that, for all agreements, the second paragraph of Paragraph B of the "Leave of Absence" Article be deleted and that Paragraph A be modified as follows:

"A. The Employer may grant a reasonable leave of absence and shall grant a reasonable leave of absence for pregnancy, to an employee upon written application. The employee and the Union shall be given a written notice of the terms and conditions of any leave of absence granted. Requests for leave of absence shall not be unreasonably denied to any employee who has twelve (12) months or more of continuous service."

4. The industry proposes that the holiday language in all agreements be modified by adding the following sentence to Paragraph A of the holiday Article:

"The holidays specified above shall be observed on the days specified by Federal legislation."

5. The industry proposes the following modifications in wage and benefit schedules:

- A. Wages -- Warehouse, Drivers, Automotive

Increase current contract rates of pay by 35¢ per hour, effective September 3, 1973; 30¢ per hour, effective September 2, 1974; and 30¢ per hour, effective September 1, 1975.

- B. Wages -- Office

Increase current contract rates of pay by 27¢ per hour, effective September 3, 1973; 29¢ per hour, effective September 2, 1974; and 30¢ per hour, effective September 1, 1975.

- C. Cost of Living

Revise Paragraph B to read as follows:

"All employees covered by this Agreement shall be covered by the provisions for a cost-of-living allowance, as set forth in this Paragraph.

Mr. J. L. Vercruse, Chairman

January 3, 1974

(a) Using the July, 1973, Los Angeles Consumer Price Index (1967 = 100) as a base, adjust hourly rates of pay, effective March 4, 1974, by one cent (1¢) for each full .45 points that the January, 1974, Index exceeds 3.0 points over the base Index of July, 1973, and effective September 2, 1974, adjust hourly rates of pay, based upon the Index of July, 1974, in the same manner, less the 3.0 point corridor and any cost-of-living pay increase received on March 4, 1974.

(b) Using the Los Angeles Index for July, 1974, as the second-year base, adjust hourly rates of pay, effective March 3, 1975, and on September 1, 1975, in the same manner and amount as set forth in (a) above, to the extent that the January, 1975, Index exceeds 3.0 points over the July, 1974, base Index, and the July, 1975, Index exceeds 3.0 points over the July, 1974, base Index, less any cost-of-living pay increase received on March 3, 1975.

(c) Using the Los Angeles Index for July, 1975, as the third-year base, adjust hourly rates of pay, effective March 3, 1976, in the same manner and amount as set forth in (a) above to the extent that the January, 1976, Index exceeds 3.0 points over the July, 1975, base Index.

For long-haul drivers, the mileage rate shall be adjusted in the same manner and on the same dates as those cost-of-living mileage increases provided for in the California Trucking Association contract covering the California freight industry.

D. Wages and Subsistence -- Long Haul

Mileage rates in the Long Haul Agreements shall be increased by \$.0075 the first year of the Agreements, \$.0075 the second year of the Agreements, and \$.005 the third year of the Agreements. Effective the first day following ratification of this agreement, increase subsistence from \$11 for every 24-hour period of time to \$13.

E. Retroactivity

Retroactivity of the wage proposals set forth in Paragraphs A and B above is offered, except for the period of the strike, provided there is ratification of this agreement by the members on or before January 5, 1974.

F. All Drivers

Effective the first day following ratification of this agreement, the Employer shall furnish transportation to and from the nearest public transportation at away-from-home terminal, provided there is no public transportation available in the near vicinity and further provided that this provision shall not apply where driver is allowed to use tractor for transportation.

G. Pensions

The industry proposes that Paragraphs A and B of the "Pension" Article of all agreements be modified to provide for increased contributions to the Western Conference of Teamsters Pension Trust Fund at the rate of 5¢ per hour, or its equivalent in monthly contributions, effective on January 1, 1974; an additional 5¢ per hour, effective on September 1, 1974; and an additional 10¢ per hour, effective on September 1, 1975.

H. Health and Welfare

The current level of benefits provided for under the Teamsters and Food Employers Security Trust Fund, Plan I, covering eligible employees and their dependents, shall be increased as follows:

Mr. J. L. Vercruse, Chairman

January 3, 1974

I. Hospital - Surgical - Medical
(Effective January 1, 1974)

- a. Increase hospital room-and-board from 70 days to 365 days.
- b. Charges made for room-and-board for day care (partial hospitalization) shall be a covered expense in a facility recognized as highly-qualified to treat a particular disability where such course of treatment is determined to be at least as effective as overnight confinement.
- c. Out-patient hospital treatment time limit extended to 72 hours.
- d. Increase Major Medical maximum from \$20,000 to \$50,000.
- e. Change Major Medical coinsurance from 80% to 80% of the first \$1,000 of covered expense plus 100% of excess.
- f. Out-patient care for nervous or mental disorders covered at usual and customary fee with same coinsurance as other medical expenses.
- g. Cosmetic surgery shall be a covered expense when necessary to correct congenital malformations.

II. Accidental Death and Dismemberment
(Effective April 1, 1974)

- a. The following shall be the only limitations of payment: (1) Intentionally self-inflicted injury or suicide; (2) Disease of any kind from any cause, or as the result of medical or surgical treatment; (3) War or insurrection.
- b. Increase benefit to \$10,000.

Mr. J. L. Vercruse, Chairman

January 3., 1974

III. Life Insurance - Increase benefit to \$10,000, effective April 1, 1974.

IV. Add a NEW paragraph entitled "Coordination of Benefits" to the Health and Welfare Article of all agreements as follows:

"The Trustees are authorized and instructed to institute a coordination of benefits program in the Teamsters and Food Security Trust Fund to become effective on January 1, 1974, and to install, for that purpose, the following language in the benefit plan:

A. If an eligible dependent is also covered under another non-contributory group plan or a contributory group plan which provides for coordination of benefits, the following prime carrier rules will determine the payments to be made by this Fund:

(1) The plan covering the patient as an employee pays before this Plan.

(2) The plan covering the patient as a dependent of a male person pays before the plan covering the patient as a dependent of a female person.

(3) Where the order of payment cannot be determined in accordance with the above rules, the first plan to make payment will be the one which has covered the eligible dependent for the longer period of time.

B. Should a dependent be covered by this Plan, and in a similar plan which does not have non-duplication of benefit provisions, this Plan will pay after the other plan.

Mr. J. L. Vercruse, Chairman

January 3, 1974

- C. If this Plan is the first plan to pay benefits under the above rules, the benefits shall be determined exactly as though duplicate coverage did not exist. If this Plan pays benefits after the other plan, the patient will be reimbursed for all allowable expenses not covered by the other plan, but not to exceed the amount that this Plan would pay in the absence of these non-duplication of benefit rules. (An allowable expense means any necessary, reasonable, and customary item of expense, at least a portion of which is covered under one of the plans covering the person for whom claim is made.)"
- V. The cost of the increased benefits referred to in Paragraphs I-a, b and c above (est. cost of \$.0136/hr.) is offset by the decrease in cost represented by the "Coordination of Benefits" referred to in Paragraph IV above.
6. The industry proposes the deletion of Paragraph F of Article XVIII of the food industry warehouse agreement, as set forth in the executed letter of understanding dated November 10, 1973. 6302 X
7. The industry proposes that a NEW paragraph be added to the "Vacation" Articles in all agreements to read as follows:
- "Deductions from vacation pay checks for more than one week's pay shall be no greater than if separate weekly checks had been issued."
8. The industry proposes that Paragraph D of Article VIII of the Produce Agreement be deleted in its entirety. 5906342
9. The industry proposes that a NEW paragraph be added to Paragraph C of Article XVII of the grocery warehouse agreement (to apply to all warehouse agreements) to read as follows:
- "In addition, a voluntary overtime system shall be established by the Employer as follows:

One month following ratification of this agreement and annually thereafter, regular employees shall be given the opportunity to elect whether they wish to decline overtime work after eight (8) hours or the sixth or seventh day for the succeeding twelve-month period. If an employee elects to decline to work overtime, he will not be offered nor can he claim, overtime work during the succeeding twelve-month period, subject, however, to the limitation that more than 25% of the employees of the Employer in each classification and on each shift and in each department where separate seniority has historically been established may make such an election. If more than 25% wish to make such an election, selection will be made by seniority. The election to decline overtime work shall not be effective during any week in which this Agreement provides for a paid holiday.

If, as a result of the above, the Employer's work force requirements at any time are such that additional employees are needed to work overtime, the Employer shall be entitled to employ part-time employees to perform the work. Such part-time employees shall not be considered as regular employees under this Agreement and no guarantee of minimum hours shall apply to them.

Nothing herein contained shall prevent the Employer from establishing or continuing a mutually satisfactory system regarding this subject.

10. The industry proposes that the following NEW language be added to all warehouse agreements:

"The Employer may establish and/or continue systems of production requirements. In the event an employee is suspended, discharged or issued a written warning notice for failure to meet such production requirements, the discharge, suspension or warning notice may be submitted to the grievance and arbitration provisions of this Agreement and a determination made if the production requirements, as they pertain to the discharge, suspension, or warning notice, were unreasonable."

Mr. J. L. Vercruse, Chairman

January 3, 1974

11. The industry proposes that the captive bakery drivers and their Employers and the captive meat drivers and their Employers be included in the so-called wholesale grocery bargaining unit and that the letters of agreement known as "L-A, L-E, L-I" be renewed and revised to accomplish that purpose and that the necessary contract revisions be accomplished for the same purpose.
12. The industry proposes that the phrase "with overtime rates for any other work" be deleted from Paragraph B of Article V of the Safeway Bakery Drivers Agreement.
13. The industry proposes that effective the first Sunday following acceptance of this proposal, bakery switchers shall receive time and one-half for all hours worked between 6:00 p.m. Saturday and 6:00 p.m. Sunday, under the Safeway Bakery Drivers Agreement.
14. The Employers agree to continue the so-called "House Accounts" letter of agreement, supplement to the Captive Bakery Drivers Agreement.
15. The industry agrees to incorporate Article XI, "Care of Vehicles" into the Safeway Bakery Drivers Agreement.
16. The industry proposes that Article XIV, "Sick Leave" of the grocery drivers agreement be substituted for Article IX of the Captive Meat Drivers Agreement, effective the first Monday following ratification of this agreement.
17. The industry agrees to delete from Article XV, Paragraph G, Second paragraph, food industry warehouse agreement: ".....nor shall it apply to Class VI jobs."

Mr. J. L. Vercruse, Chairman

January 3, 1974

18. The industry proposes that the following be added to Article V of the Automotive Agreement:

"The Employer shall post notices of any promotional job which is vacant so that interested employees may have knowledge of it. Such notice shall be posted in a conspicuous place for at least five (5) days and shall indicate to whom the employee may make his interest in the opening known. Selection to fill such vacancy shall be made by the Employer in accordance with the provisions of Article V. When selection is made, the name of the employee selected shall be posted."

19. The industry proposes that Article XIX, Paragraph F of the Frozen Food Agreement shall have added to the first sentence thereof the following:

".....and the Employer shall insure that such adequate clothing is made available."

20. The industry proposes that the first sentence of Paragraph B, Article VII, of the Produce Agreement be deleted. All employees, other than those part-time employees described in Paragraph _____ of Article _____ shall become regular employees after thirty (30) days from date of hire.

21. The industry proposes that effective January 21, 1974, incorporate into the Automotive and Office Agreements the provision providing double time after ten (10) hours, which is presently to be found in Article XVII, Paragraph A, of the grocery warehouse agreement.

22. Add a NEW provision to the Frozen Food and Produce Agreements to read as follows:

"Any driver, other than Long Haul drivers, finishing their assignment, who work inside the warehouse in excess of ten (10) hours' total daily work, shall be entitled to double time after ten (10) hours for such warehouse work, effective January 21, 1974.

23. The industry proposes that Article VII, Paragraph F of the Automotive Agreement be amended by deleting the present Paragraph F and substituting therefor the following:

Mr. J. L. Vercruse, Chairman

January 3, 1974

"Any employee working in two (2) or more classifications shall be paid for the time worked in the higher classification at the rate for that classification and any employee working over 50% in two or more classifications shall be paid for the entire day at the rate of the highest classification worked."

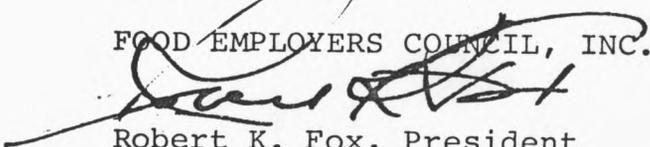
- 24. The industry proposes that in the event there are increases negotiated in the California mileage rates, as specified in the California Trucking Association agreement covering the California freight industry, as a result of the current energy crisis, the industry will implement comparable mileage increases under the industry's Long Haul Addenda.
- 25. Article XIX, Paragraph E of the Office Agreement - With respect to temporary office help supplied by agencies, the industry agrees that, if it is advised by the Pension Trust that non-payment of contributions on such temporary help prevents participation in the Pension Plan by employees of the Employer covered by the Office Agreement, or prevents increases in pension contributions, in such event contributions will be made on such temporary help, effective upon the first of the month following the receipt of such advice.
- 26. The industry proposes a three-year agreement, effective September 3, 1973, provided there is ratification of this agreement by the members on or before January 5, 1974, to and including September 5, 1976.
- 27. The industry proposes that the attached "Agreement in Connection with Strike Settlement" be executed as an integral part of this agreement.
- 28. The parties agree to jointly petition, if necessary, the Cost of Living Council for approval of the entire economic settlement.

All other terms and conditions of the preceding Agreement shall remain in full force and effect during the term of the new Agreement, except as modified above.

If the above meets with your approval, please indicate such acceptance by signing one copy of this letter in the space provided below.

Very truly yours,

FOOD EMPLOYERS COUNCIL, INC.


Robert K. Fox, President

RKF:rd

APPROVED AND ACCEPTED this 3rd day of January, 1974. ✓


J. L. Vercruse, Chairman

Subject to membership ratification