

“Do you think they bought it?”

Upper management is scrambling to fix Eric's telephone faux pas of last week. Management will say that the comments were taken out of context, or he never said it, but let us review what they truly hope the members will buy.

They want you to buy a 90-10 premium change to your medical cost. And the numbers they provided were for 2011; they never gave you what the premiums would be for next year. They took out the Neutrality MOA, which has no cost to them. They drastically changed the overtime provision. They drastically reduced the sick days benefits. And they want to freeze your pension. All the while, telling you that your benefits are overly generous, that the industry is changing, and that we need these changes in order to compete.

Competing is one thing, but why should we have to continuously pay for poor performance:

- \$240 million of your Pension left with Verizon, and they used the Pension funding for earlier incentive packages.
- Two administrations have come and gone, both of them taking millions of dollars in compensation and severance
- Since Eric took over in 2008, he has taken us into bankruptcy and has fired 4 Vice Presidents, each of them taking with them huge compensation and severance packages.
- Eric arbitrarily and capriciously stopped the Educational and Life Long Learning Program for employees.
- In line with that, there has been little or no training for current employees. Facilities and equipment continue to deteriorate. Supervision for our members is almost non-existent.
- There was a structural reduction in cost when the Company gave out 87 RIF notices this year and posted 66 job openings at the same time. There were a hundred postings available as of a week ago. How did we operate over the last 3 years without these positions, and who is responsible?
- Good, seasoned management employees continue to leave: Derrick Uyeda, Russell Nimura, Jack Cleary, Daniel Moy, Joel Lawson, Wanda Sahara, Mike Morales, etc.
- Systems continue to be cumbersome and costly, i.e. ETA Direct, one job at a time, techs constantly have to reboot systems, duplication of function/time reporting, closing 50 ckts now takes a tech 2 hours. In the Branch area, layer after layer tied to multiple locations, multiple numbers and multiple requests of different service types requiring the use of multiple systems/work arounds, i.e. CRM, Webform, Infopath, coupled with the short staffing and no back-filling of positions.
- Contractors continuously making errors and hurting our customers
- Your Pension Plan was not underfunded when Eric took over, but is and has been underfunded for the last 3 years; poor administration.
- Eric is apologetic for his team not embracing the fast values, and Eric is apologetic for his contracted 17th floor employees moving too fast; same leader that fired 4 Vice Presidents within a year and a-half span since 2010.

What Eric has done is basically followed the Watson Wyatt playbook on how to increase the CEO's pay, i.e. cut the incumbent senior labor workforce, attack employees' benefits, over-inflate the liabilities and then negotiate with any prospective buyers over the restated value of the Company. With over 200 members over the age of 50, and many of them with over 20 years of service, this is Eric's perspective: We are spending millions for our HTTP build and the return on investment will not happen until 2014-2015, so the only way to improve on costs and show profitability is to attack the "overly generous" benefits of an aging workforce. Where your benefits depended on your years of service, times your average final salary, now it will be capped from December 31, 2011, reducing the Company's liabilities by millions. With many employees looking to make their best 5 years, and the Company opening up the overtime for various groups, now those members who counted on increasing their retirement monies have to hope that what they have accrued will be enough for them to live on for the rest of their lives. Where employees currently contribute nothing to their Defined Benefit Plan, now they will have to pay into and count on their 401k and the market for their financial future.

The integrity of the Company continues to be compromised, and our members have to make sure that they see through management's constant spinning of messages and look at their behavior. I think we are way past affidavits, and our members must support their Union, which continuously fights for them and their families in spite of all the challenges of a contracted leadership team.

In solidarity,
scotty