

June 24, 2011

A Statement to all CWA New Jersey Public Workers

Dear Brothers and Sisters,

This week, working people in our state suffered a painful setback when an anti-worker and anti-union pension and healthcare bill was passed. This was the direct result of collaboration between a right wing Governor and New Jersey political bosses. A minority of 8 Democrats in the Senate and 14 Democrats in the Assembly broke with their Party and voted with the Republicans.

In this letter we will review three areas:

1. What the Bill actually does.
2. Who supported this Bill and who opposed it.
3. Where we go from here.

What does the Bill do?

The Bill increases contributions to pension 2% over 7 years, eliminates the cost of living increase on pensions (COLA) for up to 30 years, eliminates collective bargaining for healthcare and replaces the bargaining table with some kind of a joint committee. A schedule of healthcare premiums is imposed on all public workers. A summary of the Bill's provisions is attached.

Who were the Heroes Opposing the Bill and the Zeros Supporting the Bill?

The Zeros:

- Senate President Sweeney negotiated a deal with Chris Christie as to what would be in the Bill. In her usual fashion, Assembly Speaker Oliver supported the Sweeney-Christie actions, and despite her promises of independence she did exactly what she was told to do.

- Steve Sweeney and Jen Beck sponsored the Bill in the Senate. Lou Greenwald and Declan O'Scanlon sponsored the Bill in the Assembly.

- In the Senate, 8 Democratic Senators joined with 16 Republicans to support the Bill. In the Assembly, 14 Democrats joined with 32 Republicans to support the Bill. For a complete list, see our website <http://www.cwanj.org>

With the exception of Senator Brian Stack – who was compromised for other reasons – all of the Democrats who collaborated with Christie were owned by political bosses George Norcross or Joe DiVincenzo. Every independent Democrat opposed this bill.

The Heroes who opposed the Bill:

•“Sweet 16” Senators, and the “Heroic 32” in the Assembly. They were all fantastic and yesterday this group in the Assembly waged a battle from early in the morning in the Democratic caucus until late at night on the floor trying to prevent the Bill’s passage.

Our heroes in the Senate were: Linda Greenstein, Shirley Turner, Bob Smith, Joe Vitale, Barbara Buono, Ray Lesniak, Nick Scutari, Richard Codey, Ron Rice, Sandra Cunningham, Nick Sacco, Nia Gill, John Girgenti, Paul Sarlo, Loretta Weinberg, Robert Gordon.

In the Assembly: Nelson Albano, Wayne DeAngelo, Dan Benson, Bonnie Watson Coleman, Reed Gusciora, Joseph Egan, Gerald Green, Upendra Chivukula, Peter Barnes, Patrick Diegnan, Craig Coughlin, Linda Stender, John Wisniewski, Joe Cryan, Annette Quijano, John McKeon, Mila Jasey, Cleopatra Tucker, Tom Giblin, Ralph Caputo, Charles Mainor, Jason O'Donnell, Vincent Prieto, Joan Quigley, Ruben Ramos, Eleese Evans, Nellie Pou, Gary Schaer, Gordon Johnson, Valerie Huttler, Joan Voss, and Connie Wagner.

- The labor movement opposed the Bill. We had the support of all the public sector unions and in spite of threats from the Sweeney building trades, AFL-CIO President Wowkanech and Secretary Treasurer Laurel Brennan stood with us.

- A Unified Table in New Jersey that included the UFCW, the Steelworkers, the UAW, SEIU, the Painters along with public sector unions, sponsored AND PAID for mailings and phone calls opposing the bill.

- The Working Families Alliance, New Jersey Citizen Action, NAACP, Work Environment Council, and so many more. You can find the list of community groups in opposition to the bill on our website <http://www.cwanj.org>.

Finally – there were all of our brothers and sisters! CWA made over 18,000 phone calls to legislators at last count. CWA members came out in the pouring rain and the sweltering heat to oppose this bill. We held 3 rallies of thousands of members, another 4 with Reverend Jesse Jackson, 3 in support of our brothers and sisters from AFSCME with Reverend Al Sharpton and close to a dozen smaller events at legislative offices.

OUR MEMBERS WERE AMAZING!

Where do we go from here?

We need to be active in all arenas to maximize our strength and maintain our unity. We will operate on all fronts at once – politically, legally, in coalition with other unions and with community allies, at the workplace and on public message. With very few exceptions, CWA and the other unions have been working in a very unified manner. We must maintain this unity and reject all attempts to divide us.

Here is a quick direction as to where we are going. More details will follow:

- Politics – We will figure out the impact of this betrayal on our work for the November election. We are looking at specific races this November where we can have a clear impact on the outcome of the race. Although all the details of this are not worked out, we will limit our resources to focusing on those races in a laser sharp way. We will **REMEMBER THIS NOVEMBER.**

- Legal – Our lawyers, Weissman & Mintz, have already been researching the appropriate legal response to this bill. Our goal is to WIN whatever lawsuit we file and so we don't want to just sue for the sake of suing. We have been discussing a coordinated legal response from all of the unions and Steve Weissman has already begun discussing these issues with the attorneys from other unions. Our goal is to put together the best legal team possible and take on the most winnable issues – and then build on our legal victories. It is important that we take on the right issues so that we do not create any bad case law.

- The State Worker Contract – We submitted a healthcare proposal jointly with the other Executive Branch Unions – AFSCME, AFT and IFPTE. We are meeting with those Unions and they agree that we must all

go forward together on the Contract. We will have a better sense of where bargaining is going in the next few days. Now that the healthcare part of it has been taken out of negotiations, we will know better where the economics are headed.

- Local Gov't Contracts – We are scheduling a meeting with all Local Gov't presidents and National Staff to discuss the impact of this bill on Local Gov't bargaining.

- We will continue to build on and strengthen our coalition work. This work was critical and the assistance that we got from our allies, including community groups going door-to-door in key areas and support from the religious community, kept us from being isolated. If we are to save not only our standard of living, but protect critical services and turn back the tide, we must support our allies.

- We are going to call out the BOSSES. The Democratic Party has been hijacked by George Norcross in the South and by Joe DiVincenzo (Steve Adubato) in the North. This Bill and the outrageous collaboration with Chris Christie has lifted the curtain on the back room and along with allies we are going to pursue this.

Over the next week or two we will have a fully developed plan to discuss with Shop Stewards and members.

We are not defeated. We lost a battle but it was only a battle. We knew that once this Governor was elected we would have a very tough road (**Lesson: Elections have consequences**). But we are strong, we are united, and we are not afraid. We will continue to fight. We will never give up.

We are so grateful to have our union and to you, our members, for your support.

In Solidarity,

Chris Shelton, Vice President CWA District 1

Hetty Rosenstein, NJ Director

John Rose, President CWA Local 1031

Patrick Kavanagh, President, CWA Local 1032

Adam Liebttag, President, CWA Local 1036

Ken McNamara, President, CWA Local 1037

Paul Alexander, President, CWA Local 1038

Tom Palermo, President, CWA Local 1039

Carolyn Wade, President, CWA Local 1040

Kathleen Lordo, Acting President, CWA Local 1045

Linda Kukor, President, CWA Local 1065

Alyssa Lugg, President, CWA Local 1071

Bennie Brantley, President, CWA Local 1077

Leroy Baylor, President, CWA Local 1079

Joan Tapia, President, CWA Local 1080

David Weiner, President, CWA Local 1081

Mabel Serrano, President, CWA Local 1082

George Jackson, President, CWA Local 1084

Rich Dann, President, CWA Local 1085

Linda McCann, President, CWA Local 1086

Brenda Wilson, CWA Local 1087

Ronda Wilson, President, CWA Local 1089

Summary of the main provisions of the Bill?

- Raises pension contributions to PERS and TPAF 1% immediately and another 1% over 7 years for a total increase of 2%.

- Eliminates the Cost of Living Adjustment on pension benefits for all current and future retirees. The State says this suspension could last for an estimated 30 years.

- Phases in annual State contributions to pensions over 7 years, which allows the State to continue to underfund its annual obligation during that period.

- Changes the age/years requirement for new employees to 65 age / 30 service. Changes the benefit formula for new employees.

- Imposes escalating healthcare contributions over four years requiring employees to pay a percentage of the healthcare premium. The average percent of premium at the end of the four year phase in will be 22%, but to get your actual percentage you need to look directly at a schedule based on your annual compensation.

You can find the schedule here:

<http://cwanj.org/sites/default/files/Sweeney%20health%20care%20grid.pdf>

- Applies the healthcare changes to post retirement medical benefits for anyone with fewer than 20 years of service as of the bill's signing.

- Eliminates collective bargaining over healthcare. Upon expiration of any contract increased employee healthcare contributions become effective.

- The schedule "sunssets" in 4 years, however, that doesn't mean that premium share reverts back to where it was. The maximum premium share becomes the default and Unions would have to bargain any decrease.

- Replaces the collective bargaining table for your contract with a state-wide committee of labor and management that can recommend plan design at any time, at any point in the year, at any point during your contract. There is nothing to stop the treasurer from sending out whatever plan Christie wants without regard for this committee.

- Local Gov't not in the State Health Benefits Plan can negotiate other premium share, but it has to equal the same amount of savings.

- Limits the right of workers and their families to receive medical care out of state unless you enroll in the right plan (yet to be designed).