

From: [REDACTED] on behalf of [Presidents Office](#)
To: [Daniel Wasser](#)
Cc: [Executiveboard](#); [REDACTED];
Subject: PPMWS Counterproposal
Date: Tuesday, April 10, 2018 4:35:37 PM
Attachments: [PPMWS Counterproposal.pdf](#)
[Attachments 1 & 2.pdf](#)

April 10, 2018

To: Dan Wasser, PPMWS Executive Officer

Subject: PPMWS Counterproposal

Dear Brother Wasser:

This is in response to the counterproposal you sent on March 22, 2018.

The March 22nd counterproposal, which was very similar to the last one you made is unacceptable. It focuses on attempting to solve the financial challenges presented by PPMWS, without paying sufficient attention to the structural challenges. Ultimately, it does not solve either set of challenges.

I dedicated some staff time looking at the economics of your counterproposal. To roughly summarize your proposal, PPMWS would continue to pay \$100,000 annually to CWA until 2023, presumably out of its operating fund, which currently contains about \$800,000. Because this \$100,000 has been insufficient to make PPMWS revenue neutral, PPMWS will pay an additional amount equal to the difference between the annual income and annual expenses. Additionally, PPMWS would hire one special representative. PPMWS may seek assistance from District Staff Representatives for servicing amalgamated locals, and PPMWS will contribute an additional amount equal to 10 percent of its annual income. All of these payments will continue until 2023, at which point PPMWS would dissolve and its locals and members would then presumably be fully serviced by the Districts.

Various assumptions must be made in analyzing future income and expenses. But making relatively conservative assumptions, including assuming that operating expenses will stay within budget each year and locals will remit their per capita dues, and resolving ambiguities in how to calculate payments in your counterproposal in your favor, an economic analysis shows that the PPMWS operating fund will run out of funds in 2020, if not sooner, under your proposal. To meet PPMWS's obligations under your proposal, the PPMWS strike fund would presumably be tapped for the difference after the operating fund is fully depleted, which would add up to over \$1.4 million taken from the strike fund by 2023. At that point, after the Sector has cannibalized itself, the rest of CWA would be on the hook for servicing what remains.

This analysis begs the question: For what are we draining all of these funds until 2023? It appears that we would spend down these funds principally to maintain until that year a particular administrative structure for PPMWS, with a Sector Executive Officer, two Staff Representatives, and a clerical.

And that brings me to the structural issue. While both the current structure and your proposed adjustments are financially unsustainable, they also simply do not effectively and efficiently serve members and locals. As I've said before, the PPMWS now has too few members, spread over too far a distance, to be serviced by one Staff Representative and an Executive Officer based on the East Coast. Adding just one more Staff Representative will not cut it. Service and compliance suffer under this arrangement. This is why I've proposed fully integrating the PPMWS Local and members into the Districts as soon as possible, to be serviced by existing and numerous Staff Representatives already better geographically dispersed to provide the locals with greater attention and assistance. The existing operating fund could be used to offset these costs for the Districts, rather than first depleted in service to an administrative structure that is not working. The strike fund could be distributed to the locals for organizing, bargaining, and member services, rather than also depleted in service to an administrative structure that is not working.

Underscoring the need for change, in the course of conducting the economic analysis of your counterproposal, we came across additional issues among the PPMWS Locals which need to be resolved in any event. For example:

- We have found two Locals that are reporting higher membership numbers to the Department of Labor than to CWA, raising questions about misappropriation of per capita dues.
- Very few PPMWS Locals have submitted their LM reports, audits, and 990s to CWA as required by the Constitution and Union policy. While some locals have merged with others, we do not have records on many of these mergers. Some locals appear to have simply disappeared.
- A number of PPMWS Locals have a variety of issues with filing their LM reports with the Department of Labor. LMs are filed late, not at all, or for periods that haven't occurred yet.
- A number of locals have gone AWOL altogether on their dues payments to CWA. For example, one last filed dues in May 2016. Another last filed dues in May 2017. Another hasn't filed dues since 2014. Since January 2017, there are scores of PPMWS processing units which have not paid any dues at all.

Suffice it to say, these problems are only symptomatic of the larger issue: the PPMWS administrative structure no longer works for the members, the locals, or the Union as a whole. Yet your proposals seek to maintain that ineffective administrative structure until 2023 at literally any cost.

My last proposal for consolidation remains on the table. I've reattached it here. It is my last, best, and final offer on this matter. During our March discussion, no one could identify any provision in my proposal that would have a negative impact on PPMWS members if it was implemented properly.

I would prefer we reach a consensus agreement on how to transition to

PPMWS being fully consolidated with the Districts to give locals and members greater attention and improved service, the sooner the better. Over the years, we have repeatedly adjusted the structure of PPMWS to address reality. That time has come again. If we are not able to agree on how to do so, I will use any and all constitutional tools at my disposal to address these issues and ensure all members are efficiently and effectively served by the National Union.

Please let me know if Laws and Finance will agree to the attached offer by April 20, 2018. I look forward to your response.

In Unity,

Christopher M. Shelton
President

Cc: CWA Executive Board
Don McConnell
Michelle Tovo
Steve Stasenko
Pat Early
Art Delanni

Attachments

Agreement to Consolidate PPMWS Structure and Strengthen Services for PPMWS Locals and Members

To expand, improve and make more readily available and efficient services to members and Locals, by consolidating the Printing, Publishing and Media Workers Sector ("PPMWS") into existing Districts, the Communications Workers of America ("CWA") and the Laws and Finance Committee of the PPMWS agree to the following terms, notwithstanding any prior agreements concerning the PPMWS:

1. **Consolidation with Districts.** PPMWS Locals shall be serviced by the CWA Districts in which they are located. These Locals shall have full and regular access to the resources of their respective Districts, including grievances/arbitration, mobilization, and bargaining assistance by District Staff Representatives, as needed or requested by the PPMWS Locals, like other CWA Locals serviced by the Districts.
2. **Minimal Disruption and Continuity of Membership.** At all stages of implementing this new structure, care shall be taken to minimize disruption to PPMWS members. Service by Local officers shall provide continuity and the parties shall strive to make the transition from using existing PPMWS-dedicated staff to a larger number of District staff as seamless as possible. This Agreement does not add, remove, or transfer any current member to or from any Local and does not affect Local governance. This Agreement does not change Local numbers.
3. **Operational Fund Disbursement.** Any moneys in the PPMWS Operational Fund shall be disbursed to the Districts on a per capita basis, to ensure effective servicing of the PPMWS Locals and provide the PPMWS Locals and membership with increased services from District Staff.
4. **Strike Fund Disbursement.** The PPMWS Strike Fund shall be disbursed to the Locals, both PPMWS and other CWA Locals with PPMWS members, on a per capita basis, to augment Local budgets for member services and organizing. Any Local that is not in compliance with all CWA Constitutional requirements for Locals may not receive these funds.
5. **Status of Sector, Personnel and Office Lease.** In 2019, pending necessary Constitutional changes, the PPMWS as a Sector shall be dissolved and the PPMWS position of Executive Director and Sector President shall be eliminated. Existing PPMWS-dedicated staff position shall be eliminated. Represented staff shall join the roster of the District Staff. The PPMWS shall cease to have a designated seat on the CWA Executive Board. PPMWS Locals shall participate fully in the governance of CWA via their respective Districts, in accordance with the CWA Constitution. The PPMWS office Lease in Pittsburgh shall not be renewed.
6. **Transitional Committee:** The Laws and Finance Committee, no later than 90 days after execution of this agreement, will develop a transition plan proposal for implementing this Agreement. This proposal shall be submitted to the Transition Committee. The Transition Committee composed of a designee of the Laws and Finance Committee, the PPMWS Executive Director, and two designees of the CWA President shall identify issues and oversee details of implementing the terms of this Agreement, taking special care to ensure continuity of services for members and minimal disruption to Locals. Some issues identified are Continuity of Membership, Preserving ITU Identity, Maintaining ITU Standards and Protecting the Union Label, Recommendations to the Conference, Constitutional Amendments and Final Implementation. This Committee shall report to the CWA President on the status of implementation 120 days after execution of this Agreement and every 30 days thereafter.

Signed:

Chris Shelton – CWA President

Authorized on behalf of the Laws and Finance Committee

Date

Date

Members 3,600 (excludes retired members)

April 9, 2018

Income Growth -3%

Expense Increase 3%

Salary Increase 2.50%

Year	2018	2019	2020	2021	2022	2023
Income	\$547,497	\$ 531,072	\$ 515,140	\$ 499,686	\$ 484,695	\$ 470,154
Annual Contribu	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Revenue	\$ 647,497	\$ 631,072	\$ 615,140	\$ 599,686	\$ 584,695	\$ 570,154
Salaries						
1	\$ 133,793	\$ 137,138	\$ 140,566	\$ 144,080	\$ 147,682	\$ 151,374
2	\$ 108,415	\$ 111,125	\$ 113,904	\$ 116,751	\$ 119,670	\$ 122,662
3	\$ 67,087	\$ 68,764	\$ 70,483	\$ 72,245	\$ 74,051	\$ 75,903
4	\$ 108,415	\$ 111,125	\$ 113,904	\$ 116,751	\$ 119,670	\$ 122,662
SubTotal	\$ 417,710	\$ 428,153	\$ 438,857	\$ 449,828	\$ 461,074	\$ 472,601
Benefits						
51.1%	\$ 213,450	\$ 218,786	\$ 224,256	\$ 229,862	\$ 235,609	\$ 241,499
Op Expense	\$ 180,717	\$ 139,604	\$ 143,792	\$ 148,106	\$ 152,549	\$ 157,125
Total Expenses	\$ 811,877	\$ 786,543	\$ 806,904	\$ 827,796	\$ 849,231	\$ 871,225
R minus E	\$ (164,380)	\$ (155,471)	\$ (191,764)	\$ (228,110)	\$ (264,536)	\$ (301,070)
10% income contribution	\$ 54,750	\$ 53,107	\$ 51,514	\$ 49,969	\$ 48,470	\$ 47,015
Op Fund Balance						
\$ 800,000	\$ 480,870	\$ 172,293	\$ (170,986)	\$ (549,064)	\$ (962,070)	\$ (1,410,156)