



May 30, 2018

To: All CWA Local Presidents

Subject: Questions Concerning PPMWS

Dear Brothers and Sisters:

Many of you have asked about the discussions concerning the Printing, Publishing, and Media Workers Sector (PPMWS) and its structure within CWA. I want to provide you with a brief overview of those discussions as they currently stand.

While virtually all segments of our union have faced challenges in recent decades, the PPMWS has been confronted with exceptional problems. This Sector has shrunk from 47,000 members at the time of the ITU merger with CWA in 1987, to 3,600 active members to date. It is now less than one-tenth of its size at merger. The geographic dispersion of this smaller membership is challenging. Those 3,600 active members are covered by about 440 contracts and reside in 100 locals scattered across the country, from the Northeast to Hawaii. About 60 percent of the PPMWS locals are now amalgamated with traditional CWA locals; 30 percent are traditional Printer Locals; and 10 percent are traditional Mailer Locals. They are currently serviced by an administrative structure featuring one Executive Officer, a Staff Representative, and a Clerical, all based in Pennsylvania. This structure, given the size and dispersion of the membership, has become financially and administratively unsustainable, triggering the current discussions about restructuring.

This is not the first time the PPMWS structure has had to change. Over the years, we have repeatedly adjusted the arrangement to respond to increasingly difficult realities. The time has come to make change again. The guiding principle, as always, is to ensure the most effective and efficient representation for our members and their locals. In short, the question before us is: What is the best way to serve our members and the best way to deploy our resources to serve our members?

In the past few months, my staff and I have been meeting with PPMWS Executive Officer Dan Wasser and representatives of the PPMWS Laws and Finance Committee. The CWA Executive Board has strongly encouraged these ongoing discussions. Sector Executive Officer Dan Wasser and I have both proposed dissolving the PPMWS as an administrative unit and transitioning service obligations to the rest of CWA. The question is when and over what period of time. There are two main differences in our approaches:

1. **Timing:** Dan's last proposal called for a five-year transition to dissolve the sector in **2023**. I have proposed that the PPMWS Laws and Finance Committee develop a transition plan to culminate with consolidating the sector into CWA Districts in **2019**.
2. **Use of funds:** Dan wants to use the remaining resources of the PPMWS to subsidize the current unworkable structure for the next five years and add another staff representative which would increase the deficit further. Those resources are two-fold: the PPMWS Operating Fund, and the PPMWS Strike Fund. **The Wasser proposal would require using all of the PPMWS operating funds and then another \$1.3 million to pay for this structure for five years, at which point the sector would dissolve.** He did not make a proposal on how to fund this deficit, but the Sector's Strike Fund has \$4.4 million.

I have proposed using current PPMWS funds to support the transition to a future that works for our members. **In my proposal, the \$4.4 million Strike Fund would be distributed directly to the PPMWS Locals on a per capita basis (currently approximately \$1,221/member), to be used for organizing and servicing members, and the existing \$800,000 Operating Fund balance would support servicing through the districts.**

I believe that maintaining a single small office staff to service over 400 contracts, representing only 3,600 members in small units scattered across the country is not practical, efficient, or sustainable. This can be better handled by the CWA staff that is already geographically distributed. Presumably, Wasser's last proposal recognizes this reality – but only with respect to the amalgamated locals today and not until 2023 for the rest of the locals.

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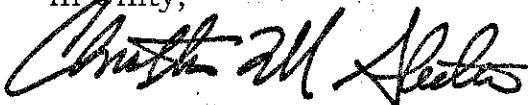
Going forward, I envision the elected PPMWS Laws and Finance Committee members as the voice of sector issues and would ask them to provide me and the entire Executive Board with an annual report, and charge them with preserving the ITU's proud culture. We would ensure the union bug is protected and properly administered.

Attached are copies of the last Shelton ("Agreement to Consolidate...") and Wasser ("PPMWS Restructuring and Dissolution...") proposals, as well as a side-by-side comparison.

Dan has "withdrawn" his proposal and has moved to seek arbitration under a 2011 agreement, which had altered the structure of the PPMWS and its merger agreement. My door is open, but I see no violations of the merger agreement, or disputes over its terms, that would warrant an arbitration to expend even more money from the General Fund and the PPMWS Operating Fund. We are one union – and the membership and their elected leaders have the constitutional authority to determine how we are structured. We resolve these matters together, as a union.

The structural problems of the PPMWS are plain to all and need to be solved. I take my fiduciary and representational responsibilities as CWA President very seriously, and will continue to work through the constitutional processes available to ensure that all members and locals are served effectively and efficiently.

In Unity,



Christopher M. Shelton
President

cc: CWA Executive Board
Dan Wasser, PPMWS Executive Officer
Laws and Finance Committee

Attachments

Comparison of Wasser and Shelton Proposals

	Wasser Proposal (withdrawn)	Shelton Proposal
When would PPMWS dissolve?	2023	2019
How are Members and Locals Serviced?	<p>Until 2023: Servicing by existing administrative structure, costing:</p> <ul style="list-style-type: none"> • \$4,031,683 in salaries and benefits for the Executive Officer, plus two Staff Reps, and one Clerical. • \$921,000 in operating expenses. <p>Post-2023: Servicing by existing CWA District Staff. PPMWS Laws & Finance Committee will propose a plan.</p>	Servicing by existing CWA District staff (PPMWS administrative structure is dissolved.)
What happens to PPMWS Funds?	<p>Through 2023, the Operating and Strike Funds would be spent down:</p> <ul style="list-style-type: none"> • Continue paying \$100,000 to CWA General Fund each year through 2023. • Pay an additional 10% of revenue to CWA General Fund each year through 2023 (approximately \$46,000 per year) for CWA District servicing of amalgamated locals. • Pay difference between revenue and expenses to CWA General Fund through 2023. • Altogether, the above amounts to over \$2 million. 	In 2019, before any spend down, the Operating and Strike Funds would be transferred to the CWA Districts and PPMWS Locals, respectively. See below.

<p>What is left of the PPMWS Operating Fund and where does it go?</p>	<p>In 2021, at proposed spending levels, the PPMWS Operating Fund will be spent down to zero dollars. It will have been used to pay for a portion of the above expenses. Nothing would be transferred for future services because nothing would be left.</p>	<p>In 2019, the Operating Fund's \$800,000 would be transferred on a per capita basis to the CWA Districts to help pay for servicing of PPMWS Locals and Members by the Districts for the indefinite future.</p>
<p>What is left of the PPMWS Strike Fund?</p>	<p>By 2023, to pay for the above, the Strike Fund will likely have expended \$1.3 million.</p> <p>The Laws & Finance Committee would make a proposal on the Strike Fund's use. If it is transferred to locals in 2023, the amount left for the locals after the above expenditures would be about \$3 million.</p>	<p>In 2019, the Strike Fund would be transferred on a per capita basis to PPMWS Locals to help pay for organizing and member services.</p> <p>If it is transferred to locals in 2019, the amount would be \$4.4 million, using the latest audited values. This would be \$1,221 per member.</p>

PPMWS Restructuring And Dissolution Bullet Points to Be Discussed:

1. The PPMWS will continue to pay the \$100,000 annually.
2. The PPMWS will at the end of each fiscal year remit to CWA an amount equal to keeping the PPMWS revenue neutral. In determining the amount to remain revenue neutral, the then current fiscal years' income and, the then current fiscal years' expenses, as defined in number 3 of the Agreement signed July 2011, shall be used.
3. CWA does not have to hire a full-time representative, to fill the vacancy, in accordance with the minimum number of representatives as specified in the agreement signed July 2011. A special representative, as defined in the IFSOEU Agreement Article 3.2 and 3.4, will be hired by CWA as soon as the Sector President determines, for a period no longer than the end of fiscal year 2023. The terms and conditions of such special representative will be at the Sector President's discretion and approved by the CWA President. In determining the PPMWS expenses as defined in number 2 above, the cost and expenses of such special representative shall be included.
4. At the PPMWS President's request, District staff representatives will be used to service amalgamated PPMWS bargaining units.
5. The PPMWS will contribute, at the end of each fiscal year, an amount equal to 10% of the same fiscal years' income as determined in number 2 above.
6. The PPMWS will strictly enforce the Sector Bylaws and CWA Constitution and begin forced mergers of local unions, not in compliance with the Sector Bylaws and CWA Constitution, within 12-months. Such mergers will be in accordance with the PPMWS Bylaws and CWA Constitution.
7. The PPMWS President and Laws and Finance Committee will, no later than the end of budget year 2023, develop a dissolution/transition plan of the PPMWS. The CWA President will support such plan and recommend such CWA Constitutional changes as needed.
8. The CWA President agrees not to seek or recommend any special conventions or constitutional changes until the end of budget year 2023, and only in accordance with number 7 above.
9. These bullet points must be adopted by and recommended by the Laws and Finance Committee at the next PPMWS Sector Conference.

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