

# ENGINEERSnews

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## For The Good & Welfare

By John Bonilla, Business Manager

### Ailing health care system affects us all

It's no secret that our nation's health care system is ailing, and with no immediate cure, the prognosis does not look good. Costs have been on a rapid, dramatic rise for most of the last decade, and it's taken a toll on all Americans. Many employers can't afford to keep offering health care plans to their employees, and many employees can't afford to join those plans. The result: more than 43 million uninsured.

Fortunately in Local 3, we have a solid health care plan, but we have had to make changes. For the past few years, Local 3's health care expenses have exceeded the assets available to pay for them. It is not possible to sustain this trend without making some modifications, so in October 2003, the plan's Board of Trustees made some necessary changes to stabilize our Trust Fund.

As business manager, I strive to keep the membership informed on issues that affect the union. You all received letters at the beginning of 2004 detailing these benefit modifications, but I wanted to take things a step further. I put together an expert committee to develop the best way to communicate the facts. Our solution: to give a presentation detailing these changes and what led up to them.

Beginning in March, you can view this presentation at your Retiree Association or district meetings. After the presentation, there will be someone available to answer questions you might have. In the meantime, call the Fringe Benefits Service Center at (800) 532-2105 with your benefits questions.

We also wanted you to have something you could keep as a reference, so we focused this issue of *Engineers News* on health care. Beginning on page 17, you will find information about the national health care crisis, how it impacts our local, how the local is dealing with this impact, and finally, what we can all do to help battle this crisis. This pull-out section will be useful to all members, active and retiree.

The more people we have backing our issues, the stronger we are. For this reason, I have been working on building coalitions with other crafts and labor groups who understand the importance of affordable, quality health care. We're working together to determine the best way to reduce health care costs while maintaining benefits. With our combined strengths and voices, we can make a powerful impact.

Every one of us can help battle rising health care costs by using our health care plans wisely — using Preferred Provider Organizations (PPOs), using generic prescription drugs instead of brand-name drugs and using the emergency room only for real emergencies. We can also take charge of our own health. The healthier we are, the more health care dollars we save by reducing doctor visits and the number of prescriptions we need.

I don't claim to be an expert on health, but I do make an effort to keep my health care costs down, and I have made a commitment to taking charge of my own health. All of the officers have made this commitment; we are going to practice what we preach. We have set goals for ourselves, and we invite you to join us in improving health and saving health care dollars in what we are calling the "Self-Care for Health Care" campaign. Our goals will be outlined in next month's issue of *Engineers News*.

Health care is struggling on the political front as well. In California, we have Schwarzenegger trying to terminate SB2, the bill requiring employers to provide health insurance for their employees. This bill would provide about one million uninsureds health care — and this benefits all Californians. The cost of the uninsureds' health care is paid for by all in the form of increased taxes, increased charges by health care providers and increased costs for quality health care plans. SB2 eases this burden while helping all working families by providing health coverage.

Nationally, we have a president who recently blocked the importation of prescription drugs. Allowing imported drugs would give Americans some less expensive options as drug costs have soared in recent years — at six times the rate of overall inflation in 2001. But Bush doesn't care about that. He's protecting his cohorts in the drug industry — 74 percent of campaign contributions from the drug industry went to Republicans during the 2002 election cycle — and helping them make an increasingly ridiculous profit off of the American people.

The good news is that this is an election year. This November we once again can proudly exercise our right to vote to get a labor-friendly leader back in the White House. If you look at the "Politics Matter" chart in the health care section of this paper, you will see how important it is to have a friend in office. Health care costs soared under Bushes Sr. and Jr. During Clinton's administration, costs plummeted. Take a look, it's astounding to see what a difference politics makes.

We have some great candidates that could potentially run up against Bush. After receiving a backing from the AFL-CIO in February, it looks like Sen. John Kerry could win the Democratic nomination. We would be lucky to get a man like Kerry in office — someone who cares about our issues and speaks on behalf of working people.

I know the information laid out in this issue of *Engineers News* may be a lot to take in, but take your time, read through it, and if you have questions, attend your district or retiree meetings or call our Fringe Benefits Service Center.

I want everyone to remember that despite the changes that have occurred, Local 3 still offers what I like to call a "Cadillac" plan. Now here's to our health.



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## In the News

# Act aims to restore workers' freedom to form unions

For the first time in more than six decades, Congressional leaders have joined the union movement to champion historic legislation that will enable workers to form unions and negotiate first-time contracts without employer harassment.

The proposed legislation, S. 1925 and H.R. 3619, also known as the Employee Free Choice Act (EFCA), sponsored by Sen. Edward Kennedy (D-Mass.) and Rep. George Miller (D-Calif.), ensures that all working men and women will have the chance to freely and democratically exercise their right to join a union. Specifically, EFCA will let employees freely choose whether to form unions by signing cards authorizing union representation, provide mediation and arbitration for first-time contract disputes, and establish stronger penalties for violation of employee rights when workers seek to form a union and during first-time contract negotiations.

More than 125 members of Congress and a number of union allies, including the respected international human rights organization, Human Rights Watch (HRW), are co-sponsoring the bill. HRW publicly announced its support Dec. 10, International Human Rights Day.

Dec. 10 commemorates the anniversary of the 1948 ratification of the Universal Declaration of Human Rights, which established the right of people in every nation to form unions and bargain contracts. The U.S. government recognized that right 13 years earlier with the National Labor Relations Act. But while workers have the legal right to form unions to negotiate for better benefits, pay, safety standards and working conditions, employers across the country routinely block their efforts with threats, coercion and intimidation. In fact, one-quarter of private sector employers fire at least one worker during a campaign to form a union, according to research conducted by Cornell University.

"It's high time the United States showed the world that its professed support for workers' human rights is not empty rhetoric but official policy," Carol Pier, a labor rights and trade researcher for HRW, wrote in a letter to members of Congress asking them to support EFCA. "Passing this bill would be an important first step."

EFCA is currently being considered by the Senate Committee on Health, Education, Labor and Pensions, as well as the House Subcommittee on Employer-Employee Relations.

*This article was compiled from reports and news releases from the AFL-CIO's Web site, [www.aflcio.org/voiceatwork](http://www.aflcio.org/voiceatwork).*

## Talking Points

By Bob Miller, President



# You can make a difference

Our nation is gearing up for next year's presidential election. Hardly a day goes by without media reports about one or another state primary election. Democratic candidates for president are crisscrossing the country in search of support. President Bush is raising funds for his re-election bid. All of this activity got me thinking about the presidential campaign from four years ago.

Clearly, much has changed between then and now. For most of us, the most memorable changes are the tragedy of 9/11, the war in Afghanistan and Iraq and a slowing economy. But, as I thought more about the changes, another one came to mind. Four years ago, all of the leading presidential candidates were talking about the goal of providing quality health care to all Americans and the need to get the spiraling costs of health care under control.

As everyone now knows, except for the passage of a limited prescription drug program for seniors, little else has been accomplished. Health care costs more than ever and fewer people can afford it. The ranks of the uninsured are growing by the day. The cost of health care has risen at twice the rate of inflation. Costs of prescription drugs have risen even faster, more than three times the rate of inflation.

Local 3 members can be thankful that they still have access to quality health care. Our programs remain among the best anywhere. However, members also need to remember that they can play an important role in helping Local 3 maintain its high-quality benefit programs. Members always need to be responsible consumers of our benefit programs.

It's the weekend, and you aren't feeling well, so it's off to the hospital emergency room, right? Well, unless it really is an emergency, you've just cost your benefit program big bucks! Think about using alternatives such as local convenient care centers. They're usually a lot cheaper than emergency rooms and can help you with routine medical matters or provide you with intermediate care until you can see your own doctor on Monday. Only use the emergency room when it truly is an emergency.

Prescription drugs are another high-cost item. Everyone needs that brand name that they see advertised on television and in magazines, right? Not necessarily, there are now many generic drugs that work as well as the brand names. And they often do it at a cost savings of 80 percent or more. Remember to ask your doctor if a generic drug will work for you.

The officers of Local 3 want you to have the quality health care you deserve. We're working hard to keep program costs low. But we also need your help to win the fight to keep costs down. Become an educated health care consumer. If you have questions, call our Fringe Benefits Service Center at (800) 532-2105. They can offer you lots of practical advice on how to use your health care benefits on a cost-effective basis.

Remember, we don't have another four years to wait for a solution to rising health care costs. Do your part now, become an educated consumer, and use your Local 3 benefits wisely!





## RANCHO MURIETA TRAINING CENTER

for Apprentice to  
Journey-level Operators

By Curtis Brooks, Director

## Formula for a healthy, happy worker

For years, employers, equipment dealers and the union have worked on the serious problem of repetitive injuries. After all the research, analyses, experiments and consultations, the experts concluded that many of the injuries are caused by the equipment we use on a day-to-day basis. The solution for many is ergonomics.

Ergonomics deals with the mechanics of the human body as it's affected by inanimate objects. As these objects come into contact with the body, they create stresses to the body. Ergonomic features are designed to lessen the severity of stresses to the point where they actually increase safety and comfort for longer-lasting endurance in a particular work setting.

At the Rancho Murieta Training Center, all of the new equipment has ergonomic features built in, such as seats on an angle, arm rest, fingertip controls, air conditioned cabs, multi-faceted adjustable seats and a number of other things to help the operator maintain physical endurance. Physical endurance promotes longer work ability and a safer, more relaxed work environment. Safer work environments result in fewer injuries and disability claims. However, the best way to minimize physical stress is knowing what you are doing.

The best tools will not help if you don't know what to do with them. At the training center, we work not only on what to do, but why, when and how. Training with the right equipment, the right design and the right functionality is only part of the equation. You also need skills and common sense.

A person who can't handle the equipment or is trying to do the wrong thing with a piece of equipment is just as bad as not knowing what to do at all and is just as damaging to the body. There is a reason we have different types of equipment and a number of applications for each. It always starts with the basics, including coming to work with a clear head and a rested body because too much exertion on an already stressed body will lead to disability.

Health care costs are increasing as we speak, and it is our job to keep expenses down and maintain a careful balance for future expenses. Excellent coverage includes health care benefits for the employee and his or her family. However, because of increased claims and rising costs, coverage for future employees is being threatened. Your life and health is important to us and to those who depend on you. Do your part in defraying costs by exercising good sense and protecting yourself from unnecessary injuries.

## CCO Tests for new candidates

### 2004 Written Exam

Exam	Deadline for application
April 25	March 5
June 27	May 7
Aug. 29	July 2
Oct. 24	Sept. 3
Dec. 19	Oct. 29

### CCO Practical Test

New CCO candidates and candidates who have passed the written portion of the CCO exams should contact Theresa Brooks at (916) 354-2029, extension 232, to schedule an appointment or obtain CCO information on the Practical Test.

## Apprenticeship graduates

Brandon Anderson	Construction Equipment Operator	Oakland	Jan. 28
Gregg Spanos	Construction Equipment Operator	Fairfield	Jan. 19
Victor Camuti	Heavy Duty Repairer	Fresno	Jan. 26



## Mechanics Corner






By David DeWilde



### Hydraulic graphic symbols

The last article was the first of the Brain Busters. We'll let your brain heal a little this month and discuss symbols. Symbols represent actual components and systems. In our case, symbols represent what things do and usually do not look at all like the actual item. Hydraulics, pneumatics and electrical are some of the systems that use symbols. One of the organizations that sets standards for symbols is the International Standards Organization (ISO). Unfortunately, not all manufacturers use these standards. Sometimes they mix their own symbols with standard symbols, although the trend is moving toward complete standardization.

Some symbols are basic, like the representations of an orifice, hydraulic tank and check valve shown below. In no way do these components resemble these symbols or have any relation to size.

-  Orifice or restriction in a hydraulic line.
-  Hydraulic tank or reservoir.
-  Check valve, which allows oil to flow in one direction only.
-  Fixed displacement hydraulic pump.
-  Adding a diagonal line through a component makes the component variable or adjustable.

Take a look at some other hydraulic symbols. We'll start easy and work up to the harder ones.

Here is a representation of a valve. Let's call it a relief valve. The arrow in the center indicates the direction of flow. The arrow does not line up with the inlet or outlet, so the valve is closed at this point and no oil can pass through. The zigzag line on the right is a spring holding the valve closed. The dotted line coming from the inlet is ported to the left side and applies pilot oil pressure to the other side of the arrow opposing the spring.

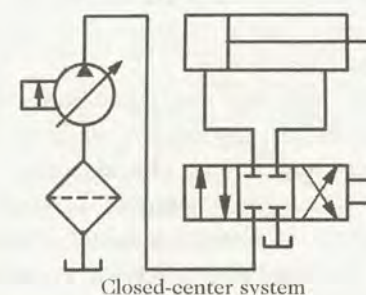
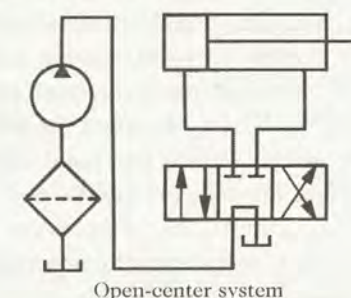
When system pressure exceeds spring pressure, the valve opens, allowing the oil to pass through the relief valve back to the tank. This maintains system pressure at a predetermined value.

Here is a representation of a directional-control valve. There are three sections or positions in this valve. In this example, it is in the center position. The pump circulates oil back to the tank and nothing is happening (neutral). The ports that lead to either a hydraulic cylinder or a motor are blocked (hold).

In this position, the pump supplies oil to the A port, and the B port has a path to the hydraulic tank. This allows an implement to move in one direction.

In this position, the pump supplies oil to the B port, and the A port has a path to the hydraulic tank. This moves the implement in the opposite direction.

In a hydraulic schematic, you only get the first picture, so you have to move the sections over in your mind. I moved them over here for explanation purposes. Below is a complete, basic system. There are more symbols used, but this is a good start. Look at these two systems. What are the differences?



The open-center system allows oil to circulate back to the hydraulic tank when in the neutral position. The closed-center system blocks the flow of oil in the neutral position, and the pump must stop producing oil to prevent damage to the system.





## UNIT 12 STATE CRAFT AND MAINTENANCE

By Flo Davis, Unit 12 Director

### Your voice counts for upcoming contract

The Bargaining Unit 12 Agreement (contract) expires July 2, 2004. As a result, the four coordinators (local unions 3, 12, 39 and 501) will meet in February to strategize and plan for the upcoming bargaining with the state.

The process includes gathering information from members as to what items or issues they would like to see included, updated or changed in the current contract. Each local will select a limited number of rank-and-file bargaining unit members to be on the negotiating team. In the past, the number has been limited to two from each local, the four coordinators, the Unit 12 Central Office director and a note-taker. All requests, either for consideration for the team or for changes or additions to the contract, must be timely, in legible writing and submitted through your respective business representative.

Once negotiation proposals are written by both parties, they must be "sunshined," generally in separate meetings; this means that each party schedules its proposals for a public meeting (or hearing) and comments. After this is completed, the parties exchange the initial proposals. Generally, each party then will write ground rules for the negotiations; these are the guidelines by which the negotiations will be held and will be the initial document negotiated and "TA'd." A "TA" is a "tentative agreement" by both parties. When a TA is reached, the parties generally move on to the next item to be negotiated.

Last year, the negotiation team, which negotiated the Unit 12 agreement in 2001, reopened negotiations on specific items in the contract, which were set out as "reopeners." During those negotiations, the coordinators received many requests for contract changes and for inclusion on the negotiating team.

It is very important to remember that, once the team is established and once proposals have been sunshined, the proposals cannot be substantially changed or augmented. This is why it is important to submit requests before the negotiating team is established and before the proposals are written and sunshined.

We have held pre-negotiation meetings in the past; the attendance has been very poor. But when negotiations get "hot and heavy," members come forth with all sorts of changes or additions to the contract. It is too late to change the proposals after they have been sunshined.

We need your timely participation to make this process work for you. Please watch for any scheduled meetings, as well as updates. These will give all members the opportunity to provide timely input for the negotiations to their respective business representative.



## TECH NEWS

By Business Representatives Ed Wodzienski and Rob Jones and Testing, Inspection and Surveying Director Dean Dye

### Work at the concrete batch plant

The purpose of batch plant observation is to verify that the concrete supplier is exercising adequate quality control to produce concrete that meets the project requirements for materials, their batch proportions, mixing and water content.

This objective can best be achieved by qualified special inspectors who diligently perform the duties listed below while under the direct supervision of the materials engineering laboratory.

#### OBSERVATION DUTIES

##### A. Documents

1. Verify that the class of concrete ordered is being delivered and conforms with approved mix designs.

##### B. Equipment

1. Check the trucks for worn or damaged fins, excessive buildup of hardened concrete, and for the presence of wash water from previous delivery.

2. Check the National Readymix Concrete Manufacturers' Association truck rating plate and verify that the load capacities are not exceeded.

3. Check the current "weights and measures" seal on the scales.

4. Verify that the moisture metering device is operable.

5. Verify that the scales start at and return to zero after each weighing operation.

6. Verify that the metering devices for admixtures have been recently calibrated and are operating.

##### C. Materials, storage and handling

1. Visually check the fine and coarse aggregate for storage conditions, handling, cleanliness and moisture conditions. Verify that grading and source are as specified on approved mix design.

2. Obtain samples of aggregates when specified or when it appears that they may not conform to the required gradation or cleanliness.

3. Obtain grab samples of cement and poz-

zolanic materials when required by project specifications.

4. Check cement temperature.

5. For lightweight aggregates, check loose moist unit weight regularly and verify whether the plant is making proper adjustments to batch weights to compensate for variations in weight as well as moisture.

##### D. Batching of materials

1. Record the volume in cubic yards for each class of concrete delivered. Verify that each mix proposed for delivery is of the proper designation and proportions approved for the project. Where discrepancies occur, request that the dispatcher clarify with the general contractor.

2. Verify that the specified materials are dispensed to the weigh hopper and record the adjusted batch weights for all ingredients in the desired proportions of the concrete mix.

3. Verify that the proper adjustments have been made for variations in moisture of aggregates.

4. Record the mixing time and check whether it is sufficient.

5. Visually estimate the slump of the concrete and report immediately to the operator any parameters outside that which is specified.

6. Coordinate with the jobsite and verify the "as delivered" slump, air content, unit weight, mix temperature, general workability and preparation of test samples.

##### E. Reports

1. Submit written progress reports describing the tests and observations made and showing the actions taken to correct nonconforming work. Itemize any changes authorized by architect/engineer. Report all uncorrected deviations from plans or specifications.



### Techs in the field

Welding inspectors Cezar Melgoza, Robert Morales, David Riggs and Augie Calija work for Inspection Services Inc. on the San Francisco Bay Bridge.





## CREDIT UNION

By Rob Wise, Credit Union Financial Officer  
& Local 3 Recording - Corresponding Secretary

# A relationship to last a lifetime

What point have you reached in life's journey? It's a question for which there is no wrong answer as far as your credit union is concerned. Here's why: Local 3's own union financial institution, the Operating Engineers Federal Credit Union (OEFCU) has created a broad range of affordable financial services, no matter what your age or life stage. You may be just starting out and looking to purchase your first home. OEFCU's Mortgage Center is the perfect resource to find the loan that's best for you. Perhaps you have already reached the milestone of buying a house and want to enjoy the equity you have built. Or maybe you are a grandparent looking for advice on the type of IRA that can be used for your grandchildren's education. Whatever your situation, OEFCU has a financial solution for you and the experience to assess your exact needs. As your journey through life continues, OEFCU will not only offer a full array of products and services, it will continue to give you the opportunity to bank with a union organization over the long haul. Your immediate family members will have that opportunity as well.

2004 marks the 40th year OEFCU has offered products and services to Local 3 members and their families. From the beginning, the credit union followed a deliberate plan to provide time- and money-saving services to members of all ages. Here is a small vignette of OEFCU's history as it steadily added products and services to its lineup. Your credit union expanded to 21 branch locations in five states to meet Local 3 members' needs. The credit union developed an automated telephone system, allowing members account access 24 hours a day. It launched an always-open Internet branch where members can enjoy home banking with no monthly fees and affordable online bill payment.

The credit union continues to make its Web site, [www.oefcu.org](http://www.oefcu.org), more useful. First, OEFCU developed online loan applications, giving members answers to their credit card, vehicle and personal loan inquiries in minutes. Next came a Mortgage Center with interactive online tools, rates, calculators and many other aids for homebuyers and sellers. Members saw the Web site expand to include online check reordering, home equity loan applications, links to the Auto Buying Consultant Service and more.

## Sprucing up for spring

If you have gone as far as you can with spring cleaning and now find what you really need is not just reorganization but a fresh new look for your kitchen, bath, garage or any other part of your home, consider your home equity options with OEFCU. Your credit union has home equity lines of credit available with:

- No points, origination fee or annual fee
- Up to \$500 of any third-party closing costs paid
- No pre-payment penalty
- Draw on the funds for up to 10 years
- Potential tax advantages (see your tax advisor)

To learn more about the OEFCU home equity line of credit, call (925) 829-4400 or (800) 877-4444 or visit [www.oefcu.org](http://www.oefcu.org).

Spring also brings tax season, but this need not be a stressful time. Member service representatives at any OEFCU branch can tell you about the credit union's tax loan special. Borrow up to \$3,000 at a 9 percent annual rate and take up to 12 months to repay the loan. This offer is good through April 15. To apply for the tax loan special or to learn more about the credit union's full range of affordable financial services, visit [www.oefcu.org](http://www.oefcu.org) or call (925) 829-4400 or (800) 877-4444.

## OEFCU branch offices to serve you

(800) 877-4444 or (925) 829-4400

Internet branch: [www.oefcu.org](http://www.oefcu.org)

Auto-Buying Consultant Hotline: (800) 326-9552

Real Estate Hotline: (800) 303-8887

OEFCU Financial Services, LLC: (800) 700-7474

### CALIFORNIA

#### Alameda

1620 South Loop Road  
Alameda, CA 94502  
(510) 748-7440

#### ATM location

#### Auburn

1915 Grass Valley Hwy.  
Suite 400  
Auburn, CA 95603  
(530) 889-2969

#### Burlingame

828 Mahler Road, Suite A  
Burlingame, CA 94010  
(650) 697-0598

#### Dublin

7300 Amador Plaza Road  
Dublin, CA 94568  
(925) 560-9660

#### ATM location

#### Eureka

2367 Harrison Ave.  
Eureka, CA 95501  
(707) 441-9590

#### Fairfield

2540 N. Watney Way  
Fairfield, CA 94533  
(707) 425-4489

#### Fresno

4860 N. Cedar Ave.  
Fresno, CA 93726  
(559) 241-0508

#### Modesto

538 McHenry Ave.  
Modesto, CA 95354  
(209) 525-8460

#### Redding

20308 Engineers Lane  
Redding, CA 96002  
(530) 222-5184

#### Sacramento

9806 Old Winery Place  
Suite 5  
Sacramento, CA 95827  
(916) 369-6752

#### Sacramento (Arco Arena)

4044 N. Freeway Blvd.  
Suite 150  
Sacramento, CA 95834  
(916) 565-6190

#### Sonoma County

6225 State Farm Drive  
Suite 102  
Rohnert Park, CA 94928  
(707) 585-1552

#### San Jose

798 N. First St.  
San Jose, CA 95112  
(408) 995-5095

#### ATM location

#### Stockton

1916 N. Broadway  
Stockton, CA 95205  
(209) 943-2455

#### W. Stockton

1818 Grand Canal Blvd.  
Suite 1  
Stockton, CA 95207  
(209) 472-0708

#### Yuba City

468 Century Park Drive  
Suite B  
Yuba City, CA 95991  
(530) 742-5285

### HAWAII

#### Honolulu

1111 Dillingham Blvd.  
Suite E1B  
Honolulu, HI 96817  
(808) 841-6396

### NEVADA

#### Reno

1290 Corporate Blvd.  
Reno, NV 89502  
(775) 856-2727

#### Elko

1720 Mountain City Hwy.  
Elko, NV 89801  
(775) 753-8585

#### ATM location

### OREGON

#### Gladstone

805 E. Berkeley St.  
Gladstone, OR 97027  
(503) 655-5462

### UTAH

#### West Valley City

2196 West 3500 South  
Suite C-8  
West Valley City, UT 84119  
(801) 954-8001



## FROM WYOMING & SOUTH DAKOTA

### All work phases slow in District 15



Work is slow in all phases of construction, pipeline and power plant work in District 15. This spring W.W. Clyde will begin an \$8 million road project on SR-150 south of Evanston.

The workload for Wyoming Machinery is on a steady

uphill climb. The company is hiring many new employees.

We look forward to seeing everyone at our district meetings March 24 at the Casper Hall located at 4925 Wardwell Industrial Drive in Casper. The retiree meeting is at 2 p.m., the pre-retiree meeting is at 6 p.m., and the district meeting will begin at 7 p.m.

## FROM UTAH

### PAC and CAT back Matheson for governor

The work picture in Utah has not been the best since the Olympic boom, but our contractors have stayed fairly busy because of the skill levels of our members. This year looks like a better year. Jobs are being let, and our signatory contractors are having success capturing work for our members. Ames was awarded the bid to move 2.3 million yards of dirt for a retail warehouse in Tooele. W.W. Clyde has the Big Sand Wash Dam and Mona Power Plants. Granite has work on the books waiting for spring, as does Frehner. On a sad note, in sand and gravel, Granite Construction sold the ready-mix division of Construction Products Company (CPC) to Old Castle. We are working hard to find work for our affected brothers and sisters from that division.

On the political front, we have an opportunity to recover lost ground in the 2004 election. We have a qualified and worker-friendly candidate for governor in Scott Matheson. He went before our Political Action Committee and Community Action Team captains in a joint interview, and they are convinced he is our candidate. His brother, Jim Matheson, is running for re-election in the Second Congressional District. He is our only voice in Washington at this time, but all congressional seats are up. We need to get behind the candidates who will support working families. There are also many local races. We urge members to become politically active. Our future is at stake, and we have a great opportunity this election year to make a difference in our lives and our paychecks.



Scott Matheson, Local 3's endorsed candidate for governor, talks to District 11's Political Action Committee and CAT members at the Salt Lake City hall Jan. 7.

## FROM SACRAMENTO

### Work picture holding strong in District 80

The work picture looks good around Sacramento.

The Rancho Seco project is in full swing with FruCon employing about 20 operators and possibly more when spring arrives. Griffin Soil Stabilization lime treated the job, Foundation Construction drove the piles and Teichert did the dirt work.

Teichert works on numerous subdivisions in Elk Grove. It is handling a lot of rock, and paving and pouring concrete, trying to get these jobs buttoned up.

The light rail project is a hit or miss with the rains, but it should be running fairly smooth and employing several operators this spring. Herzog hopes to finish its portion of the project by March.

Steve P. Rados is doing the deep sewer between Sunrise and Folsom boulevards and hopes to finish by June.

The dodge reports coming across my desk are not showing many jobs coming up, but the

bids that have come up involve interceptor work along Bradshaw Road and Watt Avenue. Hopefully those will go through.

There are some paving jobs up for bid in El Dorado County.

Hopefully union contractors will pick up their jobs and provide lots more work for our members.

DeSilva Gates is overseeing the Anatolia project with about eight different developers building homes.

Teichert, Marquez Pipeline and Mountain Cascade are all doing underground work for different developers.

Remember, we could use your help in the upcoming elections. If you are interested, contact the hall or get in touch with a business representative in the field. We will be glad to get you involved.

Finally, I thank the Caltrans members in our area who are working hard to keep our highways open this winter season.

Hope everyone has a productive year.

### In celebration of the life of Ed Park

February 1912 – August 2001

The Sacramento County Board of Supervisors recently passed and adopted a resolution celebrating the remarkable life of longtime Local 3 member Ed Park. The resolution was signed Aug. 26, 2003 by Board Chairman Illa Collin, board members Roger Dickinson, Muriel Johnson, Roger Niello, Don Nottoli and Board Clerk Cindy Turner.

Park was an original member of Local 3 and a founding member of the Legislative Labor Business (LLB) Golf Tournament, a fundraising tournament benefiting the Leukemia and Lymphoma Society.

He served as a legislative advocate for Local 3 and was instrumental in passing many labor bills. He served as a Local 3 business representative for six years beginning in 1946.

Park was appointed California State Labor Commissioner in 1953 and became director of the Department of Industrial Relations four years later. Before retiring in 1981, he served as director of the California Nevada Conference of Operating Engineers and worked for the United States Agency for International Development.

He served as a member of the Aggregate Resource Management Technical Advisory Committee for Sacramento County, Commissioner and Chair of the Sacramento Yolo Port Commission, the Capitol Area Development Authority Committee and the Comprehensive Transportation Advisory Board of the Sacramento Area Council of Governments.

The board acknowledged that Park left a legacy of honor, love, devotion and service to his community and country, and further extended its best wishes to his wife, Anabel.



## FROM RENO

**District 11's first-ever Big Buck Contest a success**

*Big Buck Contest winners: Twelve-year Local 3 member Charles Ivey and his son, Drew, took first place. Second place went to 19-year Local 3 member Greg Smith and his son, Ian.*

Conditions in Nevada were hot and dry when hunting season arrived last year, but that didn't prevent those who were successful

in drawing hunt tags from getting together for a friendly competition to determine who was the "best" or luckiest hunter.

Members from across the state who drew Nevada tags entered District 11's first-ever Big Buck Contest. The results are in, with measurements taken Jan. 7, and the winners were both sons of Local 3 members.

Twelve-year member Charles Ivey, who works for Q&D Construction, guided his son, Drew, to a successful hunt and first place, right in the Reno area. They completed their hunt on Thanksgiving Day in time to get home for dinner. The later hunt definitely helped in finding a buck, as there was little snow, and the temperature was below the 80 degree mark that October hunters had to deal with. Rumor has it this one was killed

close to a golf course.

Greg Smith and his son, Ian, dealt with the October weather when they hunted the Austin area for the second-place buck. Greg is a 19-year Local 3 member and is the Nevada JAC coordinator. Greg took some video of several nice bucks he and his son came across before taking this buck. Makes one think about trying to draw a tag in Austin next year.

Though there were several other entrants who got bucks, they were either unable to make the measuring or unwilling to bring their racks in to compare against the two winners. We look forward to next year's competition and hope the weather cooperates.

## FROM ROHNERT PARK

**Noyo Bridge project underway after bumpy start**

The project to replace the 55-year-old Noyo River Bridge started in the beginning of February 2000. The project stalled several times because of modifications to the foundation design and because Caltrans had to find a staging area for the equipment, then had to rethink ways to work from the water harbor below. Because of this, new problems arose. The original permit obtained from the California Coastal Commission had to be amended.

When the state first sought regulatory approval for the project in 1998, the commissioner who granted the modified permit required that Caltrans redesign the bridge's railings. This drew strong criticism from the Fort Bragg community.

The project went to bid a second time, and this time, Sacramento-based M.C.M. Construction won the \$32 million project in March 2002.

To accommodate the new four-lane bridge, M.C.M. Construction needed to widen Hwy. 1 at both ends of the bridge to meet the newly constructed spans, according to M.C.M. Construction Superintendent James Ham.

The plan calls for the construction of two new bridges on both sides of the original bridge. Once the new spans are built, traffic will divert to the new, outside bridges and the old bridge will be disassembled and reconstructed. The center construction will join the two new spans, making a four-lane bridge. Newly designed bridge railings will then be added.



*Tugboat Operator and Fourth-step Apprentice Joe McKenzie and crew prepare a load for liftoff.*



*Crane Operator Kyle Holmes.*

*966 Loader Operator Greg Stuart.*



*Ray Schmidt operates the Manitowoc crane during early staging in September 2002.*



## FROM REDDING

### District 70 recognizes 50-plus-year member

District Rep. Jim Horan and Redding District staff welcome three new contractors to the Operating Engineers Local 3 family. Horan and Organizer Bran Eubanks signed American Concrete Placement, Cobalt Crushing and Essayon's Crushing. These companies will create new jobs for our members. Good job, Jim and Bran!

On the work side, things are slow. J.F. Shea picked up about \$12 million worth of work. Meyers Earthworks took a good job at Eagle Lake. Bobby Martin has some work with the city of Redding, and

Blaisdale Construction got a job in the city of Anderson.

District Rep. Jim Horan recently presented a 50-year watch to Irvin Froese, who started his career as a helper in 1950 with Local 701 in Eugene, Ore. Irvin was riding home from working on the railroad when an older hand told him about joining a union. Now, with 54 years under his belt, Irvin and his wife, Linda, are enjoying retirement. They have lived in Redding for 40 years and raised three children. Both are thankful for the benefits Local 3 pro-

vided while raising their children.

Irvin worked as a heavy duty repairer, welder and operator on many jobs, including the Trinity Dam, Pit River Dams and Whiskeytown Dam. Linda said when the children were young, moving around from job to job was a way of life, a good way of life.

Irvin and Linda have been married for 60 wonderful years. It's members like Irvin and his wife, Linda, who make Operating Engineers Local 3 the best local in the country.



District Rep. Jim Horan presents a 50-year watch to Retiree Irvin Froese.

## FROM HAWAII

### Hawaiian Dredging and Kiewit Pacific busy with public work

It's not unusual to have contract awards go out around the end of the year as county and state agencies clear their yearly construction budgets. This year was no different. Contractor Hawaiian Dredging was recently awarded the Moanalua Freeway widening, Bus Rapid Transit Package B-1, Ala Moana Wastewater improvements, Kuhio Avenue improvements B1 and B2 and the Mokulele Highway widening. This represents more than \$173 million worth of work when coupled with the private development, Ko Olani Condos. Currently, Hawaiian Dredging is in the middle of construction on the \$250 million U.H. Medical Center. Busy times for sure.

Kiewit Pacific, another signatory contractor, was awarded two large contracts from the state, the Interstate Route H3 improvements and the Likelike Highway-Wilson Tunnel improvements. The combined value of the two projects is \$76 million.

#### Solid work picture ahead

Two major federal projects are scheduled to start in 2004. The \$197 million, five-year development at Hickam Air Force Base involves the replacement of 816 homes and the renovation

of 540 others, including related infrastructure. The Army's Residential Communities Initiative involves the construction and renovation of about 7,700 homes. This project's value during its 10-year development period is \$1.7 billion. It is estimated that construction spending will grow more than 17 percent in 2004. More than 85 percent is expected to go to local companies. The economic impact will be significant, broad in scope and relatively long-lived.

In a supplemental budget sent to the 2004 legislature, Hawaii Gov. Linda Lingle proposed an additional \$539 million in construction projects, putting the state's total at just under \$850 million.

#### Skilled labor shortage?

Stabilization Fund Administrator Allan Parker participated in the Hawaii Jobs Summit at Fort Shafter in Honolulu in January. The purpose of the summit was to identify projected labor problems and formulate ways to maximize the job opportunities the new federal projects will bring to Hawaii. Keynote speakers included Congressman Neil Abercrombie; Dr. Sang Hyop Lee, professor of economics at the University of

Hawaii-Manoa; Dr. Burt Barnow, director for Research at the Institute for Policy Studies at Johns Hopkins University; and Ted Liu, director of the Hawaii State Department of Business, Economic Development and Tourism. It is projected that as many as 1,700 new jobs will be created each year.

Understanding the desire to keep the work local, discussions centered on the industry's ability to provide the projected labor requirements. The role of apprenticeship and training was thoroughly discussed.

Parker spoke of Local 3's apprenticeship program and its new training site being built in Kahuku. He said it appears that most of the federal work is vertical (homes and buildings), and the impact on heavy equipment operators will not be as great as on the subcrafts. However, when you combine the projected federal work picture with the state's proposed construction budget and private development, there is no question that our signatories will be put to task. Parker stressed that a timeline with construction benchmarks should be established to give contractors a better idea of the size of the projects and project their potential bonding and operator requirements.

### Hawaii CATs clean up



Thirty-eight OE CAT members participated in the state's Adopt-A-Highway cleanup Saturday, Jan. 10. Members picked up garbage along a two-mile stretch of highway in Nanakuli and enjoyed a potluck meal afterward.



Members work together to fill their garbage bags.



## FROM FRESNO

**Private work boom expected soon**

As the new district representative for the Fresno District, I thank President and Officer in Charge Bob Miller for his support in the district. The Fresno staff has also supported the district and me by servicing the membership.

The membership is enjoying the Wednesday night barbecues and making them a huge success.

They also made our first CAT meeting a success. I thank the volunteers for giving their time to a good cause. I give special recognition to Retiree Marin Vallejo for helping the district office on a weekly basis. He is greatly appreciated.

The gradesetting class began Jan. 26 with Instructor Mark Fagundes, who taught the gradesetting class in the past and did an excellent job. Persons with gradesetting experience will soon be widely requested, as private work in the Fresno District will soon be booming.

— Ras Stark, district representative

Work in the central part of the Fresno District continues with contractors performing public and private work. The rain and damp weather are causing slight slowdowns, but contractors working on subdivision and commercial developments say the work situation looks good through next spring.

I give special thanks to former Business Reps. Larry "Hippie" Daniels and Pat Vadenais who devoted many years of service to the Local 3 membership. As new retirees, they are now enjoying fishing and racing opportunities. Way to go! We look forward to seeing them and all the members at the next Semi-Annual meeting Sunday, March 14 at the Solano County Fairgrounds in Vallejo, Calif.

— Ray Ronell, assistant district representative

The work situation in the southern part of District 50 is impacting 10 Local 3 members at Pacific Materials in Lemone Cove. Last summer and fall the plant was operating up to 12 hours per day and some Saturdays. This winter, the plant is operating at least 10 hours a day and about every other Saturday. A big thank you to all of our hard-working members.

— Bob Merriott, business representative

The work in the northern area continues at its seasonal slow pace. Teichert continues its move into the private sector with three to four operators on each subdivision project located in Chowchilla and Merced. Granite Construction continues its work at U.C. Merced with about 10 operators alongside Remcon.

Hours from rock plants are normal this time of year with little or no overtime. All plants report concerns on the lack of highway funding and the effect it will have on the hours.

Please remember to register to vote, if you haven't already. Influencing politics helps us control our own destiny as citizens and as a union.

— Sam Uhler, business representative

The new year started off slow with dispatching because of rains in early January, but the outlook for the upcoming months looks great. A reminder: Please keep the dispatching hall up to date on any telephone and address changes. If I can't reach you, I can't dispatch you.

— Denise Alejo, dispatcher



## FROM EUREKA

**District office and credit union settle into new location**

We are in our new office building, located at 1213 5th St. in Eureka. We moved Jan. 23 and were back in operation later that day. Special thanks to Bran Eubanks, Mike Conway and Paul Lindner for helping with the signs for the new building. Stop by and take a look at the new office. The credit union moved with us to the new location, and it is up and running. Our new location is on the main drag, so members will find the credit union much more accessible than in the past.



The new office building for the Eureka District and credit union is at 1213 5th St. in Eureka.

Mike Conway, Hugh Shannon and Brian Arrington. Special thanks to Kevin Reynolds, Paul Lindner and Joe Baratti for their time on the committees.

Congratulations to the area's newest journey-level operator, Joe McKenzie. As an apprentice, McKenzie was required to work most of his apprentice hours out of area, mostly around Fort Bragg. He completed his time as a construction equipment operator, but when he graduated, he also qualified at the journey level on all four

It does not appear that the work picture for Humboldt and Del Norte counties will pick up speed anytime soon. ACC/West Coast hired a couple more crews for the Samoa Bridge retrofit and a few local contractors are keeping skeleton crews busy with private work. District 40's hands will likely have to travel out of area again this year.

President Bob Miller introduced Steve Harris, who will be taking over as district representative in May. Harris comes from the rock, sand and gravel industry and has spent time in dredging and fabricating for Dutra Construction. He spent the last five years as a dispatcher and business representative in the Fairfield District and most recently served as an organizer in the Sacramento District. Grievance Committee and Market Area Committee members were elected at the quarterly district meeting in January. The Grievance Committee members are Hugh Shannon, Mike Conway and Larry Hoerner. Market Area Committee members are

types and sizes of cranes. Most crane apprentices don't do that well.

Fifty years ago ground broke for a building that most of us grew up with in the Eureka District, the old 2806 Broadway. While Tim Bridgeford was removing the old plaque on that building, he found behind it a time capsule. We will open the capsule at our next retiree meeting April 20 at the Red Lion in Eureka. The meeting will start at 2 p.m. Business Manager John Bonilla, along with Rocky Leroy, president of the Alpha Chapter of the Retiree Association of Local 3, agreed to allow active members and retired members to attend the meeting for this occasion.

Tom Andersen is improving steadily after a boogie board accident in Hawaii. He should be back in Fortuna by the time this article goes to print. "No more water sports," he said. "I'll ride my Harley instead. It is much safer."



## FROM YUBA CITY

**Contractors and shops optimistic about 2004**

Construction in the area is slow because of wet weather. Work on Hwy. 70 and Hwy. 99 will not commence until the ground dries out. Benco's bridge work on Hwy. 70 will keep two members working most of the winter. DeSilva Gates has a three-phase subdivision project in Olivehurst. To proceed with the first phase of 79 house pads, DeSilva Gates is lime treating the ground and will therefore manage to keep six to eight members working through the winter. Peterson Tractor reports it's having a slow winter, but this is somewhat average for winter repairs. Its contractors have a good backlog of jobs and plenty of new work on the books.

In the aggregate industry, Baldwin is looking for a better year in 2004 for its Chico and Marysville plants. Teichert's Hallwood plant had a good year and expects the same in 2004. Teichert's new Marysville plant is up and running. Most of the bugs are out, and the company expects a busy 2004. Teichert will construct a concrete plant as soon as the weather allows. Kino Aggregate, located on Dantoni Road in Marysville, posted the first season with its new contract signed in September. It brought 14 new members to District 60, so a big welcome aboard to Kino.

Kino crushes material for the DeSilva Gates' Hwy. 70 project. DeSilva Gates constructed an asphalt plant at Kino's Dantoni site and employs

two to three members. DeSilva Gates does a lot of work in the Bay Area and is a newcomer here. For the most part, all contractors and shops are optimistic about 2004, but they are keeping an eye on the governor's budget problems.

The Chico area has experienced a boom of new construction, both commercial and housing, not seen in 20 years. However, the Butte County Economic Development Corporation is making its second run at getting its own prevailing wage rate for Butte County, which BCEDC argues will bring in more business. Local 3 Community Action Team members have filled city council chambers and beat them back, but the battle is not over. Their goal is to get Butte County and go north to the Oregon border. I think we all know what that means for the prevailing wage statewide. So, brothers and sisters, when we call and request volunteers, please help. To those members who have not previously been involved, now is the time to begin. Let's beat them in Butte County.

Our district picnic is Saturday, May 22 at the Yuba-Sutter Fairgrounds. Tickets will be on sale soon and may be purchased at the hall or from a business representative in the field.

We wish everyone a safe and prosperous season.

## FROM SAN JOSE

**CATs help sway city council to OK recycle operation**

After Graniterock's owner, Bruce Woolpert, contacted Business Manager John Bonilla to ask for Local 3's help in obtaining permits for a recycle operation at the company's Berryessa plant site, District 90's community action team sprang into action. District 90's business representatives, dispatcher and apprentice coordinator rallied the CAT captains to contact their CAT crews. District Rep. Fred Herschbach coordinated with city council, Graniterock's Bruce Woolpert, Building Trades CEO Neil Struthers and Teamsters Local 287 Business Rep. George Netto.

Eighty-plus CAT activists attended the city council meet-

ing. After about three hours and a debate on the pros and cons of the recycle operation, the city council unanimously voted to give Graniterock the permits. Having so many CAT members present had a profound effect on the council's decision. Thanks to our CATs for taking time out of their busy schedules and showing up. Some even brought their wives, children and friends. This CAT action proves that together we can influence politicians to do the right thing for our employers and members. We can help secure good jobs for our hard-working operators.

Thanks again to Building Trades CEO Neil Struthers,



About 80 CATs from District 90 attended the San Jose City Council meeting Jan. 13 to show their support for Graniterock's recycling plant. The council members present unanimously approved the project.

George Netto and the Teamsters Local 287 members, the crafts that attended the meeting, espe-

cially our CAT members, their families and the San Jose Public Employee Division.



The CATs gather for a picture outside city council's chambers before heading inside for the meeting.



## FROM FAIRFIELD

## Bridge and private jobs dominate work picture

The Dutra Group works two shifts at the Collinsville dumpsite off-loading scows with the Liberty on the first phase of the Port of Oakland Deepening. Dutra also works in the delta, at the San Rafael Bridge and on other projects. It's staying busy. **Manson Construction** works equipment at the Bay Bridge, Benicia Bridge and the Port of Oakland at Berth 22.



Day shift on the Liberty off-loading at the Collinsville dumpsite. Back row, from left: Watch Engineer Bud Rodarte, Shot Caller Tony Mana, Operator John Boykin and Capt. Phil "Pops" Carey. Front row, from left: Deck Hands Greg Center and Bobby Horner.

Crane work looks good. **Sheedy Crane** is staying busy. **Maxim Crane** works at the Valero and Tesoro refineries and is staying busy on the outside. **Bigge Crane** works at the Chevron and Shell refineries. Conoco Phillips refinery in Rodeo started the Ultra Low Sulfur Diesel project. Bigge Crane was awarded some of the crane work for this job. More bids will be awarded as the project continues.

Construction has slowed in Solano County because of the weather. Private work is the name of the game for contractors like **DeSilva Gates**, **Teichert Construction** and **Ghilotti Construction**. They are building subdivisions in Dixon, Vacaville, Fairfield and Cordelia. **Bay Cities** has several ongoing jobs in Fairfield and Cordelia, including a surgery center near the hall. In Fairfield, **North Bay** is putting in an apartment complex and **Bay View** is building a storage facility.

**Napa-Solano Building Trades** is currently working on a project labor agreement for a 70-mile, 20-inch diameter gas transmission line. **ARB** is the general contractor. Hopefully it will start in late March or early April.

**C.C. Myers**, **Bay Cities** and **Condon Johnson** are on schedule on the Benicia Bridge approaches. **Kiewit Pacific** and **Malcolm Drilling** have another year before they finish the large piles for the Benicia Bridge. **Independent** is still working off Rose Drive in Benicia.

**MCM**, **C.C. Myers** and **O.C. Jones & Sons** are doing well on Hwy. 37. **Pacific States** (DeSilva Gates) and **Foster Wheeler** are busy on Mare Island. **O.C. Jones & Sons**, **Keith Gale** and **Tennyson** work on Columbus Parkway.

We welcome two newly signed contractors: **Wayne Schlosser Construction** and **Hess Construction**. Both work in Solano County.

District 4 staff wishes all members a prosperous and safe year.



Night shift on the Liberty. From left: Deck Hands Delbert Phillips, James Clagg, William Kombrink and Leverman Kirk Stubblefield.

## Election of Market and Geographic Area Committee Members

Business Manager John Bonilla has announced the election of Market and Geographic Area Committee members at each of the regularly scheduled district meetings in Northern California, Reno, Utah and Wyoming during the first quarter of 2004.

Eligibility rules are as follows:

1. Member must live in the committee's geographical area.
2. Member must make a living working in the industry in that area.
3. Member must be an "A" journey-level grade operator.
4. Member must be in good standing.
5. Member cannot be an owner-operator.

No member shall be nominated unless they are present at the meeting and accept the nomination and, if elected, assume the position.

No member is allowed to serve more than two consecutive terms on the Market and Geographic Area Committee.

The schedule of the meetings in which these elections will be held appears in the district meetings schedule.

## 2004 Grievance Committee Election

Rec. Corres. Secretary Robert L. Wise has announced that in accordance with Article X, Section 10 of the Local Union Bylaws, the election of Grievance Committee members shall take place at the first regular quarterly district meeting of 2004.

The schedule of the meetings at which these elections will be held appears in the district meetings schedule.

## District 90 offers hands-on gradechecking classes

Gradechecking classes will be hands-on the first Saturday of March and April. The classes will be held at Heritage Park on Taylor Avenue between Hwy. 87 and Coleman in San Jose. Bring your tools, hand level, tape measure and ruler. Classes will run from 8 a.m. to noon.

Night classes will be at the hall from 6:30 p.m. to 8 p.m.:

March 2, 16 and 23  
April 12, 19 and 26

## 2004 picnic schedule



DISTRICT	DATE
Fresno, CA	Sunday, May 16
Salt Lake City, UT	Saturday, May 22
Yuba City, CA	Saturday, May 22
Honolulu, HI	Saturday, June 12
Sacramento, CA	Sunday, June 13
Reno, NV	Saturday, June 19
Rohnert Park, CA	Sunday, June 27
Redding, CA	Saturday, July 10
Oakland, CA	Sunday, July 18
Burlingame, CA	Sunday, July 25
Stockton, CA	Sunday, Aug. 1
San Jose, CA	Sunday, Aug. 15
Casper, WY	Saturday, Sept. 4
Fairfield, CA	Monday, Sept. 6



## DISTRICT MEETINGS

### MARCH 2004

- 4th District 10: Rohnert Park, CA  
Engineers Building  
6225 State Farm Drive
- 16th District 17: Honolulu, HI  
Washington Inter. School Cafeteria  
1633 So. King St.
- 17th District 17: Hilo, HI\*  
Hilo ILWU Hall  
100 W. Lanikaula St.
- 18th District 17: Maui, HI\*  
Maui Beach Hotel  
170 Kaahumanu Ave.  
Kahului
- 18th District 90: San Jose, CA  
Masonic Hall  
2500 Masonic Drive
- 24th District 15: Casper, WY  
Engineers Building  
4925 Wardwell Industrial Drive
- 25th District 12: Salt Lake City, UT  
Engineers Building  
1958 W. N. Temple
- 25th District 20: Oakland, CA  
Warehouse Union Local 6  
99 Hegenberger Road

### APRIL 2004

- 1st District 80: W. Sacramento, CA  
ILWU Hall  
600 4th St.
- 8th District 04: Fairfield, CA  
Engineers Building  
2540 N. Watney Way
- 15th District 30: Stockton, CA  
Italian Athletic Club  
3514 Cherryland Drive
- 20th District 40: Eureka, CA  
Red Lion Inn  
1929 4th St.
- 21st District 70: Redding, CA  
Engineers Building  
20308 Engineers Lane
- 22nd District 60: Yuba City, CA  
Sutter-Yuba Board of Realtors  
1558 Starr Drive

### MAY 2004

- 6th District 11: Reno, NV  
Engineers Building  
1290 Corporate Blvd.
- 6th District 50: Fresno, CA  
Cedar Lanes  
3131 N. Cedar
- 13th District 01: Burlingame, CA  
Machinists Hall  
1511 Rollins Road
- 19th District 15: Casper, WY  
Engineers Building  
4925 Wardwell Industrial Drive
- 20th District 12: Orem, UT  
Steelworkers Union Hall  
1847 S. Columbia Lane

## Semi-Annual Meeting

Rec. Corres. Secretary Robert L. Wise announces that the next Semi-Annual meeting of the membership will be held Sunday, March 14, 2004 at 1 p.m. at the following location:

Solano County Fairgrounds  
900 Fairgrounds Drive, Expo Hall  
Vallejo, CA

## Reminder: Bring your dues card

Rec. Corres. Secretary Robert L. Wise reminds you to carry your current Local 3 membership card as proof of your good standing and identification as a member of Local 3. Having a current card with you allows you to participate and vote at meetings.

## Retiree Association Meetings

### LAKEPORT

Thursday, March 4 10 a.m.  
Yacht Club  
55 5th St.  
Lakeport, CA

### ROHNERT PARK

Thursday, March 4 2 p.m.  
Luther Burbank Center  
50 Mark West Springs Road  
Santa Rosa, CA

### WATSONVILLE

Thursday, March 18 10 a.m.  
VFW Post 1716  
1960 Freedom Blvd.  
Freedom, CA

### SAN JOSE

Thursday, March 18 2 p.m.  
Masonic Temple  
2500 Masonic Drive  
San Jose, CA

### WYOMING\*

Wednesday, March 24 2 p.m.  
Operating Engineers Building  
4925 Wardell Industrial Drive  
Casper, WY

### SALT LAKE CITY

Thursday, March 25 2 p.m.  
Operating Engineers Building  
1958 W.N. Temple  
Salt Lake City, UT

### AUBURN

Thursday, April 1 10 a.m.  
Auburn Recreation Center - Lakeside  
3770 Richardson Drive  
Auburn, CA

### SACRAMENTO

Thursday, April 1 2 p.m.  
ILWU Local 17 Hall  
600 4th St.  
West Sacramento, CA

### FAIRFIELD

Thursday, April 8 2 p.m.  
Operating Engineers Building  
2540 North Watney Way  
Fairfield, CA

### CONCORD\*\*

Tuesday, April 13 10 a.m.  
Concord Centre  
5298 Clayton Road  
Concord, CA

### MODESTO

Thursday, April 15 10 a.m.  
Tuolumne River Lodge  
2429 River Road  
Modesto, CA

### STOCKTON

Thursday, April 15 2 p.m.  
Italian Athletic Club  
3514 Cherryland Drive  
Stockton, CA

### OAKLAND\*\*

Wednesday, April 7 10 a.m.  
Oakland Zoo - Snow Building  
9777 Golf Links Road  
Oakland, CA

### EUREKA

Tuesday, April 20 2 p.m.  
Red Lion Hotel  
1929 4th St.  
Eureka, CA

### REDDING Meeting & Potluck

Wednesday, April 21 1:30 p.m.  
Frontier Senior Center  
2081 Frontier Trail  
Anderson, CA

### YUBA CITY

Thursday, April 22 2 p.m.  
Sutter-Yuba Board of Realtors Building  
1558 Starr Drive  
Yuba City, CA

### FRESNO

Thursday, May 6 2 p.m.  
Cedar Lanes  
3131 N. Cedar  
Fresno, CA

### RENO\*\*

Thursday, May 6 2 p.m.  
Operating Engineers Building  
1290 Corporate Blvd.  
Reno, NV

### SAN FRANCISCO - SAN MATEO

Thursday, May 13 10 a.m.  
Machinists Hall  
1511 Rollins Road  
Burlingame, CA

### NOVATO

Thursday, May 13 2 p.m.  
Inn Marin  
250 Entrada Drive  
Novato, CA

\*location change \*\*date change

\*Date change





## CRUISE THE MEXICAN RIVIERA WITH OE3 And support the Operating Engineers Scholarship Foundation

Join our group on an eight-day Mexican Riviera cruise onboard  
Norwegian Cruise Lines' Norwegian Star  
Jan. 24, 2005

Roundtrip from Los Angeles, Calif. with a unique itinerary that includes an  
overnight in Acapulco and full days in Ixtapa, Puerto Vallarta and Cabo San  
Lucas.

Enjoy "Freestyle Cruising" (choose what you want to do, where you want to  
dine and what you want to wear) and a beautiful ship that offers everything  
from 10 restaurants, pools and jacuzzis, full fitness center and spa to Las Vegas-  
style shows and a fabulous casino - our own private parties - and much more!

Cruise-only rates from \$549 per person, double occupancy inside  
cabin; rates for outside cabins from \$689 per person, double occupan-  
cy; balcony cabins from \$869 per person, double occupancy.\*

**To make a reservation or for more information,  
call toll free at (888) 713-0441**

\*Rates include a \$50 contribution to the Scholarship Fund and port charges. U.S.  
government taxes are \$60 per person extra. Roundtrip air not included.

## HONORARY MEMBERS

The following retirees have 35 or more years of mem-  
bership in Local 3 as of January 2004 and are eligible  
for Honorary Membership effective April 1, 2004,  
unless otherwise noted (\*).

Robert K. Andrews	1225986
Greg Brazier *	1155433
Alfredo Dutra	1199339
Gene Feliciano	1199340
Ronald Hall	1363237
James Haskins	1351444
Leonard Jewell	1309003
John Kay	1251271
J. Kilroy	1265078
Dave Leonard	1199124
Donald Medeiros	1235198
Gerard Mendes	1271084
Joseph Pasqual	1355169
Jack L. Reynolds *	1178200
J. R. Roberts	1113163
Jerry Sakata	1362791
George Varozza	0683228
Amrik Warich	1123583
William Zabriskie	1359614

\*Effective Jan. 1, 2004

## Departed Members

*Our condolences to the family and friends  
of the following departed members:*

Affonso, Art	Union City, CA	12-25-03	Lockett, Forest	Milpitas, CA	01-10-04
Atha, Milford	Nevada City, CA	01-19-04	Lyons, Robert	Englewood, CO	12-25-03
Baldo, John	Visalia, CA	12-25-03	Matsuo, Akira	Honolulu, HI	11-24-03
Beguín, Alfred	Redding, CA	12-19-03	McFadden, J. Paul	Mtn. View, CA	12-19-03
Burgo, Harold	Kaneohe, HI	12-17-03	McLaren, Walter	Upper Lake, CA	01-16-04
Carr, Richard	Hermiston, OR	01-08-04	Miles, Ernest	Santa Maria, CA	01-17-04
Christeson, Floyd	Manteca, CA	01-06-04	Miller, Lawrence	Galt, CA	11-05-03
Chugg, Dean	Brigham City, UT	12-29-03	Miyazaki, Larry	Kaneohe, HI	01-13-04
Cola, William	Placerville, CA	01-10-04	Nunes, Alan	Payette, ID	12-31-03
Cursi, N	Fresno, CA	11-27-03	Pimentel, Vincent	Modesto, CA	01-12-04
Doering, Gerald	Selma, CA	11-22-03	Poaha, Ambrose	Waianae, HI	12-22-03
Duggin, Mell	Pinehurst, ID	01-05-04	Purdum, O.	Yakima, WA	12-03-03
Enlow, Roland	Calvert City, KY	01-07-04	Rempel, George	Walnut Creek, CA	12-24-03
Fox, Edward	Willcox, AZ	12-24-03	Roberts, Edward	Sheridan, WY	12-16-03
Freitas, Francis	Oakland, CA	12-16-03	Rosso, Martin	Virginia City, NV	12-29-03
Fullmer, Sherman	Fremont, CA	12-13-03	Rudolics, Tibor	Honolulu, HI	12-14-03
Griffin, Lester	Roseville, CA	01-21-04	Silva, Tony	Hayward, CA	01-13-04
Hamilton, Jack	Rock Springs, WY	11-15-03	Simon, Frank	Murrieta, CA	12-18-03
Hancock, Daniel	Placerville, CA	12-29-03	Smith, C.	Fremont, CA	12-31-03
Hooper, Ralph	Visalia, CA	12-06-03	Swain, Dwain	Petaluma, CA	01-05-04
Howard, Harry	Brownsville, CA	01-08-04	Troughton, Edward	Yuba City, CA	01-12-04
Jones Jr, Lloyd	San Francisco, CA	12-10-03	Ungerman, Joesy	Reno, NV	12-31-03
Joseph, Donald	Grants Pass, OR	01-21-04	Watts, Julius	Stockton, CA	12-20-03
Knight, Ludwig	Oregon House, CA	12-23-03	Wheeler, William	Benicia, CA	01-15-04
Kraynick, Michael	San Jose, CA	01-08-04	Wilkerson, Lavar	Pleasant Grove, UT	01-04-04
Lewis, Harold	Monterey, CA	11-30-03	Wilson, Harry	Roseville, CA	01-05-04

## Deceased Dependents

Garner, Jacque, Wife of Garner, Everett	12-31-03
Osgood, Nancy, Wife of Osgood, George	11-30-03
Otto, Alfreda, Wife of Otto, Siegfried	10-02-03
Bennett, Marie Ellen, Wife of Bennett, Fred	12-08-98
Benz, Danna Jean, Wife of Benz, Edward (Dec)	01-06-04
Burns, Barbara, Wife of Burns, Robert (Dec)	12-18-03
Cleavenger, Elsie, Wife of Cleavenger, Cecil	01-04-04
Elam, Dove, Wife of Elam, Leroy (Dec)	12-03-03
Errington, Barbara Jean, Wife of Errington, Albert	01-04-04
Faulkner, Violus, Wife of Faulkner, E. (Dec)	12-19-03
Jones, Willie, Wife of Jones, Oliver	12-26-03
Kraynick, Margaret, Wife of Kraynick, Michael (Dec)	01-22-04
Kundysek, Mary, Wife of Kundysek, Ernest (Dec)	12-30-03
McQuillin, Betty, Wife of McQuillin, Douglas (Dec)	01-05-04
Northup, Eileen, Wife of Northup, Lloyd	12-22-03
Pennington, Patricia, Wife of Pennington, Eugene	12-25-03
Ralston, Norma, Wife of Ralston, William	03-12-02
Schmidt, Luella, Wife of Schmidt, Eldon	01-27-04
Seigmund, Violet Elaine, Wife of Seigmund, Robert	12-13-03
Silva, Esther, Wife of Silva, Jr. King (Dec)	12-10-03
Southern, Sonja, Wife of Southern, Ben William (Dec)	11-03-03
Swift, Doreen, Wife of Swift, Robert	01-24-04
Thompson, Faye, Wife of Thompson, James (Dec)	12-13-03
Trussell, Norine, Wife of Trussell, Donald	08-12-03
Walker, Dorothy, Wife of Walker, John (Dec)	09-18-03
Weinhold, Jessie, Wife of Weinhold, Robert	12-05-03
Wolff, Mabel, Wife of Wolff, Leonard (Dec)	12-10-03



## Scholarship Contest Rules for 2004

### Applications available at district offices and credit union branches

The Local 3 officers and Executive Board understand that the workplace is rapidly changing, and many jobs now require new skills that can be attained only with a good education. Local 3 is dedicated to giving our young people the opportunity to succeed by providing them with the chance to further their education and training. For this reason, Local 3 awards annual scholarships to sons, daughters, stepchildren and foster children of Local 3 members.

#### ACADEMIC SCHOLARSHIP

Four college scholarships will be awarded to children of Local 3 members. Two scholarships of \$3,000 each will be awarded to the first place female and male applicants. Two scholarships of \$2,000 each will be awarded to the runner-up female and male applicants. These scholarships must be used for study at an accredited U.S. college or university.

Winners also receive an additional \$500 per year from the Scholarship Fund for the second, third and fourth years of college, provided they remain full-time students.

The academic scholarships will not impose restrictions of any kind on the course of study. Recipients may accept any other grants or awards that do not rule out scholarship aid from other sources.

#### WHO MAY APPLY

- Children of Local 3 members may apply for an academic scholarship. One parent of the applicant must be a Local 3 member for at least one year immediately preceding the date of the application.
- Children of deceased Local 3 members are eligible to apply for the scholarships. The parent of the applicant must have been a Local 3 member in good standing for at least one year immediately preceding the date of death.
- The applicants must be senior high school students who have, or will be, graduated at the end of either: 1) the fall semester (beginning in 2003) or 2) the spring semester (beginning in 2004), in public, private or parochial schools who are planning to attend a college or university anywhere in the United States during the academic year and who are able to meet the

academic requirements for entrance in the university or college of their choice. Students selected for scholarship must have achieved not less than a "B" average in their high school work.

Applications will be accepted between January 2004 and March 31, 2004.

#### AWARDING ACADEMIC SCHOLARSHIPS

Upon receipt of the application and required forms, Local 3 will not exercise any choice among the various applicants or indicate in any way that one applicant should be favored over another. Based on factors normally used in awarding academic scholarships, the University Scholarship Selection Committee will submit to the Local 3 Executive Board recommendations for finalists. The list of potential winners and their qualifications will be reviewed and studied by the Executive Board and the scholarship winners selected.

Academic scholarship winners will be announced at the June Executive Board meeting of Operating Engineers Local 3. Checks will be deposited in the winning students' names at the college or university they plan to attend.

All of the following items must be received by March 31, 2004:

- The application, to be filled out and returned by the applicant.
- Report on applicant and transcript, to be filled out by the high school principal or person he or she designates and returned directly to Local 3 by the official completing it.
- Letters of recommendation. The applicants should submit one to three letters of recommendation giving information about their character and ability. These may be from teachers, community leaders, family friends or others who know the applicant. Please submit all letters of recommendation with the application.
- Photographs. A recent color photograph, preferably 2 inches by 3 inches, with the applicant's name written on the back. The photo should be clear enough to reproduce in the *Engineers News*.
- Media information. Provide the name, address and phone number of the applicant's local newspaper for the purpose of sending a press release on behalf of each winner.

#### RANDOM-DRAW SCHOLARSHIPS

In addition to the four academic scholarships, Local 3 will award twenty (20) \$500 "random-draw scholarships." The names of all applicants will be entered into a drawing to be held at the July Executive Board meeting. Applicants need not be present to win. The scholarships are available only to the sons, daughters, stepchildren and foster children of Local 3 members.

#### GENERAL GUIDELINES FOR RANDOM-DRAW SCHOLARSHIPS

- Children of Local 3 members may apply for the scholarship. One parent of the applicant must be a Local 3 member for at least one year immediately preceding the date of the application.
- Children of deceased Local 3 members are eligible to apply for the scholarships if the parent was a Local 3 member for at least one year immediately preceding the date of death.
- Children of Local 3 members who plan to attend college or trade school are eligible to apply. They will not be judged on academic qualifications. All applicants who apply for the Local 3 academic scholarships and do not win will automatically qualify for this drawing.
- Applications will be accepted until March 31, 2004. Previous winners are not eligible to apply.
- Winners will be determined by a random drawing to be held at the July Executive Board meeting. Applicants do not need to be present to win.
- The money will be funded when the college or trade school confirms the winner is a full-time student.

#### WHERE TO GET APPLICATIONS

Academic and random-draw scholarship applications are available at your district office or credit union branch office. It is the responsibility of the applicant to submit the application on time to:

Robert L. Wise  
Recording-Corresponding Secretary  
Operating Engineers Local Union No. 3  
1620 South Loop Road  
Alameda, CA 94502-7090





**SwapShop ads** are offered free of charge to members in good standing for the sale or trade of personal items and/or real estate, and are usually published for two months. Please notify the office immediately if your item has been sold. Business related offerings are not eligible for inclusion in **SwapShop**. *Engineers News* reserves the right to edit ads. No phone-in ads please. Deadline 1st of the month. Limit two ads per issue.

To place an ad, type or print legibly and mail to:

**Operating Engineers  
Local Union #3  
3920 Lennane Dr.,  
Sacramento, CA 95834  
ATTN: SwapShop\***

**Or fax ads to: SwapShop  
(916) 419-3487**

**Or e-mail to:  
webmaster@oe3.org**

\*All ads must include Member Registration Number or ad will not appear. Ads should be no longer than 50 words.

FOR SALE: 2001 Winnabago Class A 29ft motorhome. It has only 2,434 5/10 miles on it. One owner and it is in very good condition. Need someone to take payments over. Health failing and eye sight is getting bad. 707-425-3117. Reg. #1391964

FOR SALE: '01 Dodge Ext-Cab 4x4, A.T. pickup, 55k miles, all highway miles, long bed, \$23,000. Delta, Utah. 435-864-3493. Reg. #1359602

FOR SALE: APAC Boring tool (H2O hot tap) Like new \$500. Thielan-Thompson freestanding stove w/ water heater \$2,000 new, asking \$1,000. 12' alum. Boat w/2, 6hp Evinrude motors \$500. Tie-down chains binders. 530-613-0863. Reg. #2067088

FOR SALE: 4 tires like new P225/60 R16 \$30 each. 408-266-1058. Reg. #835689

FOR SALE: '70 Ford Torino, 4 dr, low miles, excellent condition. 775-753-3720. Reg. #1191086

WANTED: Air cool pony motor for water truck. Must be in good condition. 408-629-4142. Reg. #1386886

WANTED: '56 Ford Victoria 2 door hard top. Must be in good original condition. No rust. 408-629-4142. Reg. #1386886

FOR SALE: Dodge 318 cubic inch engine motorhome with very low mileage. Good tires with 3 gas tanks. Doesn't need to be smogged each year and is a

good dependable unit. Sacrifice \$1,995. Located in Redding, CA. 530-243-4302 after 6:00 p.m. Reg. #0865537

FOR SALE: 2000 Honda XR70R, 3 speed, low hours, has some scratches. Great kids 1st bike. Asking \$900. New they sell for \$1,499. Call Andy at 707-746-1623 evenings. Reg. #2226614

FOR SALE: 1995 17' fisher boat with 90hp Merc with 9.9 hp Merc kicker. 45lb 12-24 volt trolling motor. X70 and X25 low range fish finder, new boat cover, Bimini top, two live wells, always garaged, excellent condition, AM-FM radio, 3 batteries. Asking \$10,000. 831-637-2464. Reg. #1586184

FOR SALE: '68 Olds 88 \$1,500, '64 Dodge Dart GT \$2,000, '79 Honda 185cm \$1,000, '64 Shock Catamaran 18ft \$1,000. Call between 6 and 7 p.m. 925-934-6994. Reg. #1834526

FOR SALE: Family farm w/ 2 houses (1 rented), 27 mi. NW of Eugene, Oregon. 44+ acres, yr-round creek, pasture hills, 20yr old trees, barn, shop, bunkhouse, & walnut grove. \$349,500. 541-925-4137. Red #1494208

FOR SALE: Early model Lincoln SA-200 gasoline engine driven welder. 50 ft. leads. New 12 volt alternator, battery, volt meter, tires, and trailer lights. Runs & welds great. Located near Reno, NV. mtnpilotdiver@msn.com for photos 775-722-6678. Reg. #2275493

FOR SALE: 1969 Short Box F100 Ford p/u. New 390 motor w/ RV cam, Edlebrook series parts including manifold, carb, heads, C/6 auto transmission w/ shift kit, 9" front tires & 11" back w/ chrome babymoon wheels, brakes & bearings. Flowmaster exhaust w/ 2 & " pipe. Linex bed & engine compartment. Needs paint & interior. Runs Great! \$4,000 obo. Also, selling a trampoline w/ enclosures. Less than 1 yr. old, paid \$450 asking only \$200 obo. After 5pm 530-743-6389. Reg. #2423136

FOR SALE: ATV- 1986 Honda TRX 350. 4X4, very clean, low mileage. \$2,500. 925-484-3138. Reg. #1235515

FOR SALE: 1995 22' Hilo Classic Trailer. Sleeps 4, rof air, forced air furnace, full shower/bath, stove top range & micro. 12 volt gas/electric fridge. Couch folds to a queen bed, awning, new batteries & tires. Electric front jack. \$9,000. 925-634-5588 or 925-858-0405. Reg. #1315719

FOR SALE: Kabota tractor, M8030 front loader, 3 point hitch lots of gears. \$27,5000. 4 horse stock trailer \$3,250. Draft, 2 horse, trailer \$2,500. Home, 1.3 acres 5bdr. Living 7 family room, ext. large stall garage. 5 mi. N of Rigby, Id aprox. 12 mi. from BYU Id. College. Room for horses, etc. \$195,000. 208-745-7636. Reg. #0336937

FOR SALE: 1968 International Scout 800 & (2) 1962 International Scout pick-ups, all 3 complete. Ready to restore. \$3,000 for all 3. 916-922-4180. Reg. #2049626

RENTAL: Waterfront vacation rental in the Keyes @ Clearlake Oaks, CA. 2bd/2ba, very clean, fully furnished, screen room, air cond., decks, covered boat dock, bbq, ping pong, air hockey, basketball hoop, good fishing & skiing. 530-432-0667 or 520-902-2307. Reg. #0892694

FOR SALE: Campground Membership. Southern CA, AZ, & Mexico. Quit Camping \$400. 530-662-7516. Reg. #1196347

FOR SALE: 88 Chevy Blazer K-5, straight blue body, rebuilt fuel injection heads, auto overdrive, new tires, rims, etc. New full carpet set, headliner & other new parts to be installed, \$4,000. 4 good year 6.70 X15 4ply "super cushion" tires w/ wide whites & 4 chrome rims w/ caps. 5 lug wheel pattern to fir chevy's & ford drums. Brand new \$800. 415-586-2207 or 415-269-8743. Reg. #1852493

FOR SALE: Lincoln "Weldanpower" 150 AC/DC Welder & 4500 Watt Ac, 230 volt, 20 amps generator. Gas power w/ undercarriage. 100ft. of leads, stinger, ground, clamp, etc. can be used as tig welder. Low hours, electric start cover. Needs battery only. \$1,900 invested asking \$900. Caterpillar shop & parts books for 977k, 814-818 compacters, 988 loader, D-9 dozer, D-8 dozer, 12F grader, 8T grader, etc. over 200 books \$200 for all. 415-586-2207 or 415-269-8743. Reg. #1852493

FOR SALE: Foreign stamp collection. 350 countries from 1840 - 1940. \$350. Can break up to suit your needs. 408-226-0729. Reg. #1225584

WANTED: Ford engines 427-428 cu.in. Also 4pd tranny and Ford parts. 408-226-0729. Reg. #1225584

FOR SALE: 1999 Trackmagic Shifter-Kart. Cro-moly frame. Cr-80 power, best parts throughout. Prepped over winter, set up

for infinieon. Stand, spares, safety gear, notes. \$4,000/obo. 707-718-5100 or 707-421-9518. Reg. #2396391

FOR SALE: Miscellaneous items. Tandem bike, fast track exercise machine, used furniture, dishes, silverware, cooking utensils, computer parts, monitor, ice chests, garbage cans, Japanese car jacks, tires, rims, 24" t.v., VCR and DVD player, fax phone, small refrigerator, JVC camcorder, radios, dinette set, couch, love seat and chair, end table. 925-458-8044. Reg. #2248341

FOR SALE: Digmore model 5944 Dipper Stick for John Deere model 310C Backhoe. Never been used. Make offer. 510-701-3125 or daledrob@one-main.com. Reg. #1584237

FOR SALE: 1973 Miller welder model BIG D4, 350amp, 100% duty cycle, Perkins diesel. Never worked commercially or mounted on trailer. \$6,000/obo. 510-701-3125 or daledrob@one-main.com. Reg. #1584237

WANTED: Fresh water cooler for 3.0 mecruiser engine, '97 model. Also a crab trap puller. 530-346-2918 or farmerjr@cwnet.net. Reg. #1271053

FOR SALE: 2000 29-foot Arctic Fox (Nash) double-slide. Like new. Will deliver. \$20,000/obo. 916-723-1064. Reg. #2137644

FOR SALE: 1994 Dolphin diesel pusher. 32', 48,000 miles. Two roof air conditions, window awnings all around, electric patio awning, new tires, many extras. Very clean. One owner. \$46,500. 775-267-2416 or grammatwiss@yahoo.com. Reg. #1689693

FOR SALE: '95 Honda Del Sol looks like new, low mileage (87,000). Car has been well taken care of, with regular maintenance. \$5,850/obo. Mary at 916-456-9256 or Dave at 916-359-4996.

FOR SALE: 1994 Atlanta III, Teton, 3 axle, 5th wheel. Duct air conditioning, duct heaters, twin skylights, 3 slide outs, duct fresh air fans, new water heater, new front air conditioner, new refrigerator, built in dishwasher, microwave, sofa, satellite dish. Excellent condition, non-smoker. \$39,500. 209-604-3014. Reg. #2275457

FOR SALE: 2002 Ford pickup F-350, duet tires, 4x4, XLT. White, 4 door, pop up ball, rear tow package, cab guard. Clean, one owner, non-smoker. 55,000 miles. Warranty. \$38,750. 209-604-3014. Fax 209-772-2240. Reg. #2275457

FOR SALE: One man heavy duty boat loader (12 or 14"). Ready to use, also aluminum motor carrier. Both \$275. 541-902-1952. Reg. #1208481

FOR SALE: '95 Dutchmen, 36' travel trailer; 13' slide out, dual a/c (one is ceiling ducted), 40 gal. hot water heater, full size washer, queen walk-around bed, back room computer work station, full size jetted tub, excellent live-in trailer. \$14,950/obo. 775-329-0806. Can be seen in Hollister, CA. Reg. #1369144.

FOR SALE: Fiberglass bed cover hard top - white. Fits 1999 GMC and Chevy truck. \$400. Like New 1977 Honda Trail 90 high and low gears. Loaded with extras and low miles. \$1,200. Rototiller 5hp, rear tine. \$100. Sears 8hp chipper/shredder. 3 years old like new. \$300. Pick up truck tool box across the top opens both sides. \$50. 209-668-1341. Reg. #1344167

FOR SALE: 1995 17' SV17 Fisher boar, 90hp merc with 9.9 kicker merc, 45lb 12-24 volt motor guide trolling motor, X70 a low range fish finder, X25A low range fish finder, new boat cover, Bimini top, am/fm marine radio, 3 batteries, 2 live wells, boat always kept indoors, excellent condition, like new. \$10,000. \$11,000 with 9.9 kicker. 831-637-2464. Reg. #1586184

FOR SALE: One stackable plot for 2 in Vets section. Oakhill in San Jose, Ca. \$2,000. 775-673-3210. Reg. #1244949

FOR SALE: Snug hard top fits GMC short bed 1999 and up. #400. 1977 Honda 90 trail bike on off road. Like new. Lots of ex. 998 mile. \$1,200. Sears "drive socket set 2" to 15/16" ratchet and extings. \$150. 209-668-1341. Reg. #1344167

FOR SALE: Maple gun cabinet. Top holds 10 guns, has a light and glass doors lock. Bottom has two drawers and two locking doors. Extremely well made. Excellent condition. \$300. 209-745-2574. Reg. #1826078

FOR SALE: Enclosed "Bobcat" sweeper unit. Has quick connect hyd's and cutting edge to scrap caked on mud. Only has 20 hours on it. Fits 553,750s, 763, 773, 863, 873 and 963. \$2,500/obo. 559-822-2345. Reg. #1774638

FOR SALE: 87 KX60, 91 DS80, 96 DS80. All are in excellent running condition. Some gear included for full price. \$1,150 for each. Cash only. 707-447-5419. Reg. #1952914



# Health Care: An American Crisis



The following 10 pages discuss the national health care crisis in detail, including how it affects Local 3, how Local 3 is dealing with the effects of this crisis, and the changes in Local 3's health care plan for California members. This pull-out section is intended to be an educational tool, as well as a reference for all members.

Written by Kelly Walker and Heidi Mills

## The national crisis

A hot-button topic for several years now, the national health care crisis continues to top American's lists of concerns and make its way into nearly every political debate.

With each passing year, concern for the ailing system grows, paralleling the increase in health expenditures, which now account for about 15 percent of the nation's gross domestic product (the total value of all goods and services produced in the United States during a given period of time). This is twice as much as what was spent 30 years ago. Alarming? Yes. Surprising? No.

Health care costs in America have been on a dramatic rise since about 1996. Everyone agrees there is a problem — no one agrees how to solve it. And as the debate continues and drug companies continue to raise the cost of their products, health care premiums never fail to increase. In fact, they are rising faster than the economy, at about twice the rate of overall inflation. By 2012, health spending is projected to use about 17.7 percent of the nation's gross domestic product.

According to the Federal Center for Medicare and Medicaid Services, health care spending reached \$1.7 trillion in 2003, more than \$5,800 for every American.

From 1998 to 2002, the medical inflation rate spiked from 6.1 percent to 13.9 percent. This increase is almost parallel to the rising cost for employer health care. Things were no different in 2003, and with no clear solution to the crisis, costs are expected to continue rising in 2004 and ensuing years.

Several factors have contributed to this rise and ultimately, to this American crisis.

Politics, the profit motive in the drug and insurance industries, an increasing

number of uninsured and hospitalization are all contributors to increased health care costs and spending.

## Politics

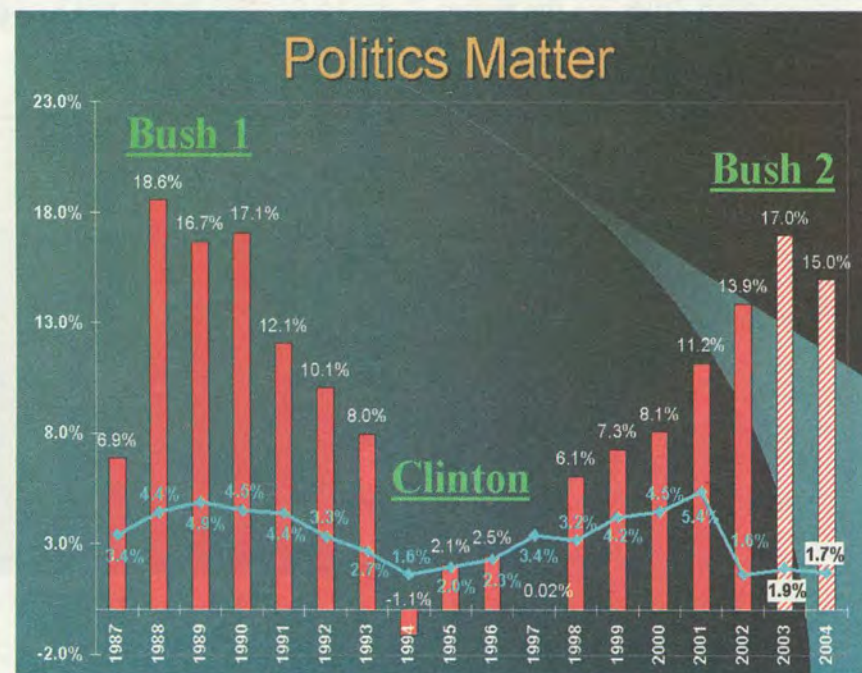
With 2004 being a major election year, voters can expect to hear nearly every candidate discuss the health care issue.

Politics are a critical component of the health care dilemma. This fact is more than evident when comparing the costs of health care during the last three presidential administrations. The bar graph below demonstrates the dramatic spike in costs under George Bush senior and George Bush junior, compared to the low costs under Bill Clinton's guidance. The medical inflation rate spiked high above the overall inflation rate under Bush 1 and Bush 2. The bars represent the medical inflation rate, and the line represents the Bay Area consumer price index. (The consumer price index measures the prices of consumer goods and services and is a measure of the pace of U.S. inflation.)

Our votes do make a difference, and clearly, affect our health and our pocket-books. Read the following section to learn how politics plays a role in prescription drug prices.

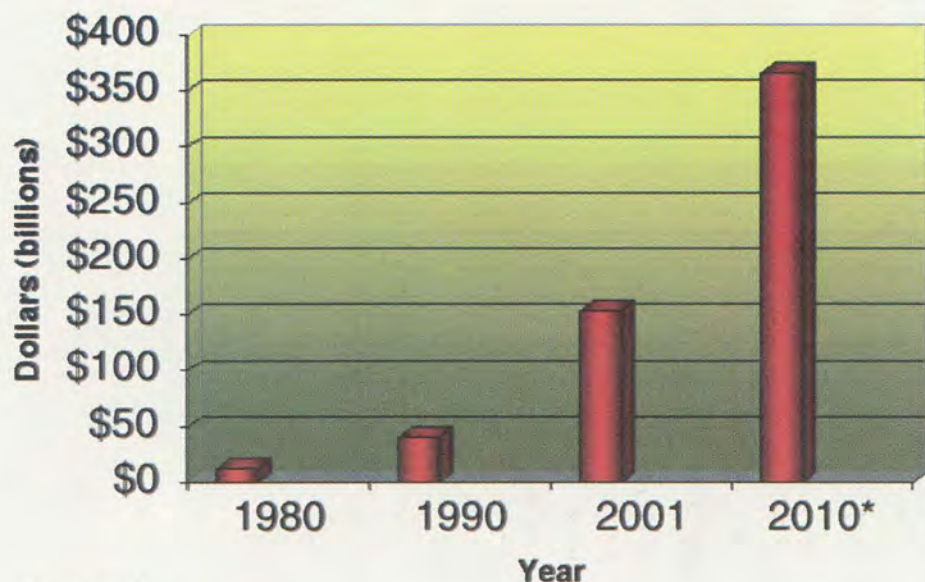
## Profit motive

Fundamentally, the health care industry provides a means for getting proper care when needed and for maintaining good health. But essentially, the health care industry is a business. Many profit from the industry, and unfortunately, many exploit it. The prescription drug industry and health insurance industry are two money-makers enjoying more than their fair share.





## National spending for prescription drugs



\*Projected

Source: National Institute for Health Care Management, "Prescription Drug Expenditures in 2001: Another Year of Escalating Costs," April 2002.

### Prescriptions

With U.S. drug companies making profits of nearly \$40 billion a year, the prescription drug industry is one of the most lucrative industries in the nation. In fact, the drug industry exceeded all industries in profitability in 2001, when the 10 drug companies in the Fortune 500 were eight times more profitable than the median for all Fortune 500 companies.

This may be a positive deal for industry executives, but it is bad news for the American people. Drug costs accounted for 23 percent of what Americans spent on health care out of their own pockets in 2002.

Prescription drugs are the fastest growing health expenditure in the United States. Between 1990 and 2001, national spending for prescription drugs nearly quadrupled from \$40 billion to \$154 billion, and with costs steadily increasing by 20 percent to 30 percent per year, spending is projected to increase to a whopping \$366 billion by the year 2010.

There are several reasons Americans spend so much on prescription drugs. A simple explanation is that prescription drug prices are rising higher than the rate of inflation — prices rose at more than six times the rate of inflation in 2001.

One of the biggest contributing factors for this rise is commercial advertising of prescriptions. A not-

so-well-known fact: Drug makers spend about \$2.6 billion a year on consumer advertising. In 2000, promotional spending, including advertising, reached \$15.7 billion. A substantial portion of this amount is used to promote new, high-cost variations of older drugs whose patent protection has expired or is close to ending.

The money spent on advertising factors into the price of the drug, and people are often swayed to buy the brand-name, advertised drug instead of a generic drug with the same function.

Although you may not be influenced by drug advertisements, the unfortunate reality is that an alarming number of Americans are. The number of prescriptions written for the best-selling drugs in 2001 rose more than 25 percent, compared to the other 9,482 drugs on the market that had less than a 2 percent increase. These popular drugs also cost more, and the costs are inflating. Case in point: the price of Celebrex inflated by 9.4 percent in 2001; Glucophage inflated by 14.4 percent; and Allegra, by 10.9 percent. Please read the last section, "What we can do," for more information regarding brand-name drugs versus generic drugs.

Beyond advertising, prescription drug prices are influenced by politics. According to "Public Citizen, Brand-name companies versus Generics: Campaign Contributions and Lobbying," during the 2002 election

cycle, the prescription drug industry gave 74 percent of their contributions to Republicans, and only 26 percent to Democrats. This helped ensure that Congress, which was controlled by Republicans at that time, blocked legislation that would provide prescription drug coverage through Medicare. Drug companies also contributed \$625,000 to President Bush's inauguration.

Bush himself, perhaps as a favor to his supporters, contributed to the increased profits the drug industry enjoys when he approved legislation blocking the importation of less expensive prescription drugs.

Without a doubt, the drug industry keeps busy at the nation's capitol. The drug industry spent at least \$262 million in the 1999 to 2000 election cycle on lobbying, campaign contributions and issue ads, and the total spent on lobbying for the drug industry from 1997 to 2001 was \$403 million.

### Insurance premiums

The insurance industry joins the drug industry in making a pretty penny off of Americans' need for quality health care.

In recent years, insurers have taken advantage of increased health care costs by increasing health care insurance premiums, allowing them to become more profitable. Local 3 is an exception to this, as it does not profit from its self-funded plan.

## AN ARMY OF LOBBYISTS

### The Drug Industry's Lobbying Operation

**\$403 million**  
Spent on lobbying (1997-2001)

**\$78 million**  
Spent on lobbying (2001)

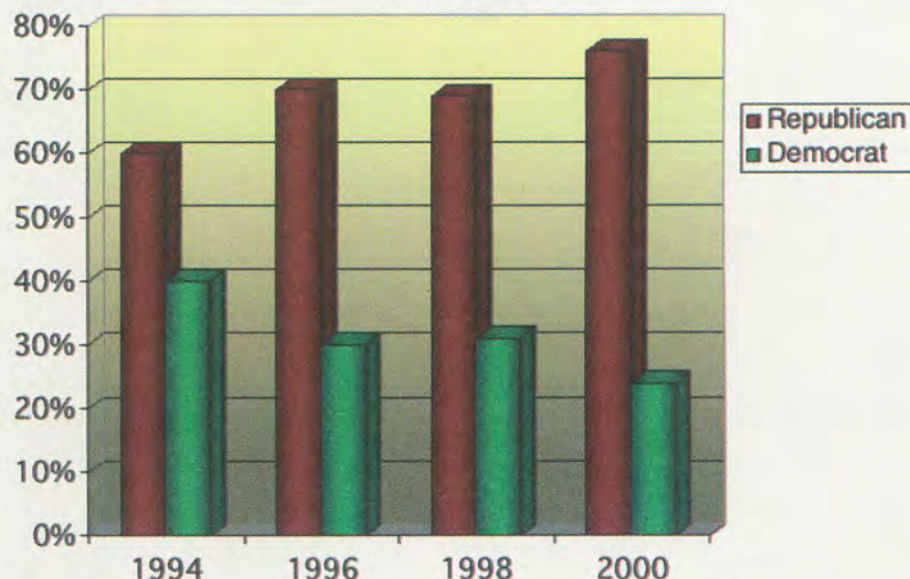
**623 hired guns**  
More than one for every member of Congress (2001)

**340 Revolving door lobbyists**  
Who worked for Congress or another branch of the federal government (2001)

**23 Former members of Congress**  
With access to their former colleagues

Source: Public Citizen, *America's Other Drug Problem*

### Party shares of contributions from drug industry 1994-2000



Source: Public Citizen, "The Other Drug War: Big Pharma's 635 Washington Lobbyists," July 2001.



Rising at a higher rate than overall health care costs, health insurance premiums have risen by about 50 percent in the last three years ending 2003, and will continue to increase in 2004.

Granted, factors like higher spending for prescription drugs, hospitals and physicians help explain these increases, but the fact is, insurance providers have no incentive to curb costs. Insurers can use profits from increased premiums for investments, as there is generally a gap between when coverage is needed and when premiums are paid.

Premium increases severely affect our nation's employers, as well as employees. When employers contract with insurers for their employees' health care coverage, a premium is the monthly amount the employer pays to the insurer for each employee. Many employers cannot afford to keep up with the costs of providing health care for their employees and are forced to cut benefits or shift more of the costs onto the employee. As a result, many employees are not receiving adequate benefits, resulting in inadequate care. And many employees cannot afford to have health insurance at all.

## Uninsured

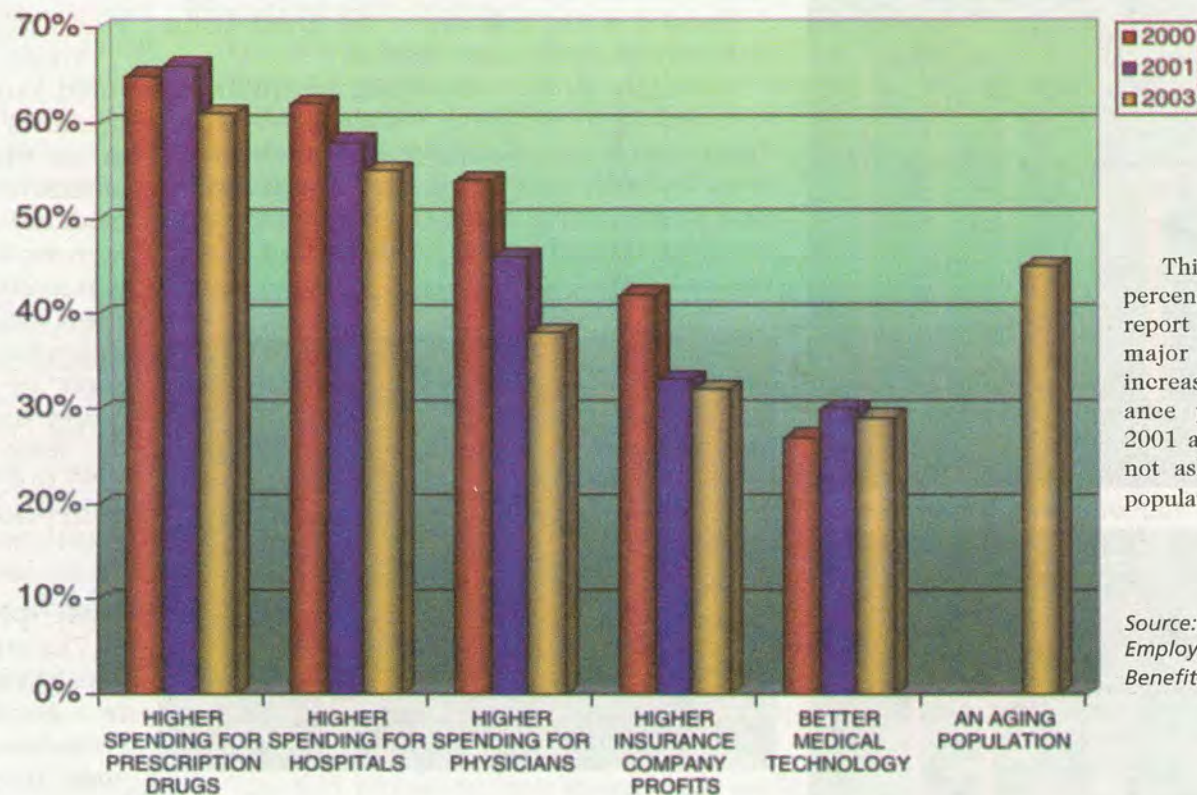
More than 43 million Americans are without health insurance.

Not having insurance can seriously jeopardize a person's health. A May 2002 report from the National Academy of Sciences' Institute of Medicine estimated that the lack of health insurance led to delayed diagnoses, life-threatening complications and about 18,000 premature deaths each year.

Although about 70 percent of the uninsured work full time, the expert panel reported that each uninsured person loses the equivalent of between \$1,645 and \$3,280 annually in wages and benefits and in the value of what would be a better quality of life and a longer lifespan if the person were insured.

Though the uninsured suffer from the lack of proper care that comes with not having insurance, the country suffers right along with them. Uninsureds' health care costs are paid in the form of increased taxes,

## Major contributors to increased health premiums



This chart represents the percentage of all firms that report the listed factors as major contributors to increases in health insurance premiums in 2000, 2001 and 2003. Firms were not asked about "an aging population" in 2000 or 2001.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001, 2003

increased charges by health care providers and increased costs for quality health care plans.

"Allowing millions of Americans to live without health insurance costs the nation between \$65 billion and \$130 billion every year ... that is because many of the uninsured receive inadequate medical care, which translates into a poorer quality of life and a shorter lifespan," reported an expert panel assembled by the National Academy of Sciences' Institute of Medicine.

## Hospitalization

A major contributing factor to the overall rise in health care costs and spending is an overload of unnecessary hospital visits and an increased use of hospital emergency rooms in general.

In 2002, national spending for hospital care reached \$486.5 billion, a 9.5 percent increase over the previous year.

It is widely believed that the uninsured account for most of the rise in emergency department use, but actually, those who are insured, particularly with private employers, account for this increase.

"Contrary to the popular belief that uninsured people are the major cause of increased emergency

department use, insured Americans accounted for most of the 16 percent increase in visits between 1996 to 1997 and 2000 to 2001," reported a study by the Center for Studying Health System Change (HSC).

Through its study, the HSC found that emergency room visits by privately insured persons increased 24 percent between 1996 to 1997 and 2000 to 2001. Medicare beneficiaries' emergency room use increased at a slower rate of 10 percent. And about one-fourth of the increase in visits resulted from a general population increase.

Many visit the hospital's emergency

room for minor, definitely non-emergency situations. The HSC reported that less than half of the emergency room visits, about 47 percent, are classified as emergent (requiring care within 15 minutes of arrival) or urgent (requiring care within an hour). This was found to be true for all insurance groups, except Medicare patients — about 57 percent of their visits were emergent or urgent. What's more, visits classified as semi-urgent, non-urgent or unknown triage accounted for all of the overall emergency room visit increase across all insurance groups between 1996 to 1997 and 2000 to 2001.

**Although the United States has about 43 million uninsured, it devotes more of its economy to health care than other industrial countries, according to the Organization for Economic Cooperation and Development. The United States is the only industrialized country without a national health care plan.**

COUNTRY	GROSS DOMESTIC PRODUCT
United States	15 percent
Switzerland	10.9 percent
Germany	10.7 percent
Canada	9.7 percent
France	9.5 percent



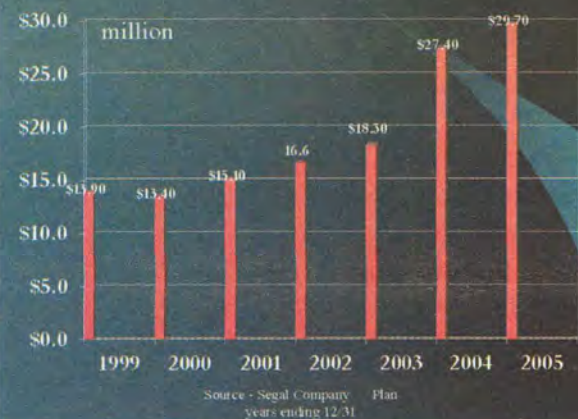
## Hospital-Medical Costs

Active Plan-Indemnity CA



## Hospital-Medical Costs

Pensioned Operating Engineer Plan



## Prescription Drug Costs

Active Plan-CA



## Prescription Drug Costs

Pensioned Operating Engineers



## Impact to Local 3

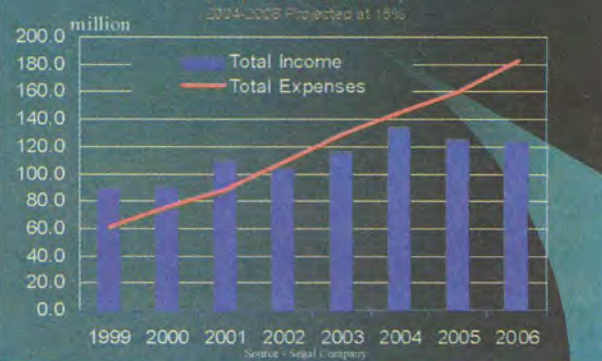
Local 3 is not immune to the greed of the profit-driven health care market.

Costs are already exceeding contributions to Local 3's Trust Fund, which means Trust Fund reserves are declining, and if nothing is done to battle increasing costs, assets available for the active members' health care plan could be drained by 2007, the retirees plan at the end 2004.

## OE Health & Welfare Trust Fund - CA

(15,400 members)

2004-2006 Projected at 15%



## Affecting the local as a whole

Each state in Local 3's jurisdiction has separate funding established, so members in one state are not paying for members from another, but even so, the union as a whole is affected.

In California, where 15,400 active Local 3 members reside, expenses have increasingly exceeded income since 2002. Other states in Local 3's jurisdiction are facing the same trend. In Nevada, where 1,230 Local 3 active members reside, expenses have exceeded income for the last six years. Utah, with 1,320 active members, is in the same boat. Wyoming and South Dakota also are suffering. Hawaii, with 1,540 active members, has managed to remain stable.

## Internal trends

### Uninsured

Of the 43 million uninsured Americans, about 7.4 million reside in Local 3's six-state jurisdiction: California, Nevada, Utah, South Dakota, Wyoming and Hawaii.

In Utah, about 335,000, or about 14.8 percent of the population, is uninsured. In Nevada, the numbers are even larger, with more than 16 percent of the population uninsured, or 344,000 people. Hawaii has less uninsured, with just 10 percent of the population, or 123,000 uninsured residents. About 11.5 percent, or 85,000 of South Dakota residents are uninsured, and in Wyoming, about 86,000, which is an incredible 17.7 percent of the state's residents, are without insurance. California has the largest number of uninsured of all the states within Local 3's jurisdiction. By 2002, nearly 6.5 million residents were uninsured; that's 18.2 percent of the population.

## Hospitalization

Trends within Local 3 have somewhat mirrored national trends. Hospital costs for active members are a clear example of this, as shown in the first two bar graphs at left. For active members in California, costs to the plan for medical visits have more than doubled with an increase from \$27.9 million in 1999 to \$67 million in 2003; these costs are projected to reach \$96.7 million by 2006. For the Pensioned Operating Engineers plan, the numbers are lower as Medicare pays a large portion of retiree medical bills, but the upward trend is the same. Costs rose from \$13.9 million in 1999 to \$18.3 million in 2003, and are projected to reach \$29.7 million by 2005.

## Prescription drugs

The other component to increasing costs to Local 3's health care plan, shown in the bottom two graphs at left, is prescription drugs. Prescription drug costs for California members under the Pensioned Operating Engineers plan have been consistently higher than those for active members, with costs rising from \$19.8 million in 1999 to \$34.7 million in 2003. Costs are projected to reach \$42.1 million by 2005. For active members, costs soared from \$8.2 million in 1999 to \$19 million in 2003, and could reach \$25.1 million by 2006.

## We're not alone

While we know we are not immune to the health care crisis, it is important to remember that we are not victims either. We are facing this issue head on, along with the rest of the country. As common citizens and businesses are affected by this crisis, so are labor organizations. Health care has long been the No. 1 issue at the negotiating table, and especially in these tough times, will remain so.

Local 3 is not the only labor organization that has had to deal with this problem. In California, the laborers, ironworkers, cement masons and carpenters have all dealt with this problem in their own way. All of the basic crafts have increased their health and welfare contributions, as shown in the bar graph below.





## What Local 3 is doing

Under the direction of Business Manager John Bonilla and the Board of Trustees, Local 3 has taken a proactive approach in dealing with the high and rising costs of health care. To protect the financial stability of the Trust Fund, the union implemented a comprehensive strategic plan that includes immediate action and long-term solutions.

Central to our long-term strategy has been coalition building with other crafts and labor groups that share our concerns and goals. By working together, we are creating a more influential presence in our state and national legislatures. Our aim is to develop solutions that will help reduce health care costs and improve health benefits. We will continue to cooperate with these organizations and do everything we can to give the members the best bang for their buck.

Another long-term strategy currently in place is the disease management pilot program offered by CorSolutions. In an effort to improve the health of the membership and reduce health care costs, the Trustees started this confidential phone-based program for members with diabetes, chronic obstructive pulmonary disease (COPD), coronary artery disease (CAD) and congestive heart failure (CHF). The program is expected to save the Fund millions by 2005. Please read more about Local 3's disease management program on page 25.

Other long-term strategies are being developed and refined, including a proactive plan for the membership discussed in the section, "What we can do."

### Active member benefit modifications

In October 2003, the Trustees took immediate action by making benefit modifications to the California Health and Welfare Plan Schedule A. The modifications affect medical benefits for active member participants enrolled in the comprehensive health plan and the vision plan. Changes to vision care and to emergency room co-pays went into effect Jan. 1. Changes to prescription co-pays are effective April 1, 2004. Although some co-pays are being increased, participants will continue to receive a full package of health care benefits.

#### Physician visit co-pay

For active members, there will be a \$25 member co-pay for the first 10 physician visits per person, per year. After the \$25 co-pay, the plan will reimburse 100 percent of remaining covered charges.

For example, you incur covered expenses of \$100 for a visit to a physician's office. You would file a claim for \$100 with the fund office. The fund office will deduct \$25, which is your responsibility, and pay 100 percent of the remaining balance. In this example, the plan pays \$75 and you pay \$25.

Once the \$250 maximum co-pay is reached – after the first 10 physician visits per person, per year – the plan will pay the current benefit of 90 percent of covered charges until the \$500 annual out-of-pocket limit is reached. After the out-of-pocket limit is reached, the plan will pay 100 percent of covered charges for the remainder of the calendar year.

The \$25 physician visit co-pay will apply to each visit to a physician's office, including specialist visits. It will not apply to hospital visits, X-ray and laboratory charges or the adult routine physical exam benefit. The \$25 physician visit co-pay will not count toward the annual out-of-pocket limit.

#### Emergency room co-pay for non-emergencies

Active members will be responsible for a \$50 co-pay for each non-emergency visit to a hospital emergency room or urgent care center. The co-pay will not apply if the visit is for a medical emergency.

The plan defines medical emergency as:

*The sudden onset of a medical condition that requires immediate treatment because it is life threatening or would cause a serious dysfunction or impairment of a body organ or part if not immediately treated.*

In addition to the \$50 co-pay, the active member will have to pay 10 percent of the remaining covered charge for a visit to an emergency room or urgent care center for any condition that is not a medical emergency. The \$50 co-pay will not count toward the annual out-of-pocket limit.

#### Prescription drug co-pay

The least expensive way for the active member to purchase prescription drugs is generic through mail order. A 34-day supply of generic drugs will cost active members \$10, if filled at a retail establishment. There is no out-of-pocket expense for a 90-day supply of generic drugs through mail order for active members.

### Rx Plan Changes (CA Active and Retiree)

Effective 4/1/04	Retail (34 day supply)	Mail-order (90 day supply active) (100 day supply retiree)
Generic	\$10	\$0
Brand/no generic available	\$15	\$10
Brand/generic available	\$25 plus cost difference between generic and brand	\$25
Brand/generic available Dr. allows no substitution	\$25	\$25



### Vision Service Plan (VSP)

For all participants – Kaiser, Health Net and Comprehensive Health Plan – the vision plan is changing to VSP's Value Plan. Members should check with their optometrist to see if s/he is on the VSP Value Plan.

Under the VSP Value Plan, there will be no change to the current \$7.50 deductible, and allowances will remain unchanged for most services. However, the network of VSP member doctors will be reduced by 4 percent. There will no longer be member discounts available on contact lenses or frames over the plan allowances or on additional pairs of glasses. The Value Plan reimbursement schedule for non-network doctors is higher than the current plan for most procedures. Only elective and necessary contact lenses will have a lower reimbursement.

VSP compared the geographic area of participants with the new Value Plan network and reported that 93 percent of participants who used network providers in the last year will not have to change doctors under the new plan. If you have a question about whether your doctor is in the new VSP Value Plan network, please call VSP at (800) 877-7195.

### Retiree benefit modifications

In addition to the active benefit modifications, in October 2003, the Trustees made benefit modifications to the Pensioned Operating

Engineers Health and Welfare Trust Fund. The modifications affect medical benefits for retired operating engineers, spouses and surviving spouses enrolled in the Pensioned Operating Engineers Health and Welfare Trust Fund and the vision plan. Changes to vision care went into effect Jan. 1, 2004, and changes to self-contribution rates went into effect Feb. 1, 2004. Changes to prescription co-pays are effective April 1, 2004. Retired participants will continue to receive a full package of health care benefits.

### Self-Contributions

The Pensioned Operating Engineers Health and Welfare Trust Fund offers benefits which are funded partially by contributions allocated by working Local 3 Operating Engineers from their wages and partially from self-contributions paid by retirees. In previous and in the current fiscal years, the Trust Fund has paid more in benefits than it received in contributions. The shortfall has been paid from Fund reserves. However, to keep the Trust Fund financially sound, it is necessary to increase the retiree self-contribution rates.

The self-contribution amount for all current retirees and surviving spouses eligible for health and welfare benefits as of Feb. 1, 2004, increased by \$50 per month. These rates do not include the cost of the voluntary retiree dental program or the cost for dependent children. The contribution rate for the voluntary dental coverage is updated each year and is sent to those purchasing that coverage.

### Prescription drug co-pays

The changes in prescription drug co-pays for retirees are the same as the changes for active members. The only difference is that retirees can order a 100-day supply of generic drugs through mail order, rather than a 90-day supply.

Please see the chart under the "Prescription drug co-pays" heading in the "Active member benefit modifications" section on page 21.

### Vision Service Plan (VSP)

Changes to the Vision Service Plan for retirees are the same as the changes for active members. Please read the section "Vision Service Plan (VSP)" under the "Active benefit modifications" heading on this page.

### Stay tuned

This completes the necessary benefit changes required at this time. Local 3 will continue to monitor the financial stability of the Fund and the effect these changes have on it.

Members should be aware that further changes to the plan will be made if it becomes necessary to do so.

If you have any questions, please call the Fringe Benefits Service Center at (800) 532-2105 or the Trust Fund Office at (800) 251-5014.



## What we can do

Each one of us has an important role in meeting the challenge of today's health care cost crisis. Though there is no immediate solution to the problem, there are some steps we can take to help keep costs down now and in the long run. These steps are outlined in a three-part action plan Local 3 has devised for the membership and for every person who benefits from Local 3's Health and Welfare Plan. It will be presented and discussed at every district and Retiree Association meeting beginning in March, and it is described in detail in the following section.

Here's an overview:

Using our health and welfare plans wisely is the first step of the action plan and our main weapon in reducing costs for ourselves and for the plan. This step involves making more informed, cost-efficient health choices, like choosing generic prescription drugs instead of brand-name drugs.

Step two is taking charge of our health. This step relates to healthier lifestyle and behavior choices, such as avoiding tobacco, exercis-



ing, practicing prevention and eating nutritious foods, all of which translate into fewer trips to the doctor and major cost savings.

Step three is taking political action. This step is about supporting and electing local, state and national leaders who will address the health care concerns of working families.

Each of these steps is a critical component of our union's long-term strategy in dealing with this crisis. By taking action now, we can reduce our health costs, add value to the quality of our health and ensure the protection of our benefits.

### Using our health plans wisely

Using our health and welfare plans wisely is an important first step toward cost savings for ourselves and the plan. It involves using Preferred Provider Organizations (PPOs), using generic prescription drugs whenever possible and avoiding the emergency room unless there is a true emergency.



## Preferred Provider Organizations (PPOs)

When we use PPOs, we are choosing health care providers who have agreed to a pre-negotiated rate for their services. Non-network doctors (non-PPOs) have not agreed to this rate. Unless the health care we receive is in connection with an emergency or if the member lives out of the service area, a non-PPO will always cost us more. The following examples, showing the proper use of a PPO and the improper use of non-PPO, clarify this point.

A PPO hospital under the California Plan Schedule A:

\$150,000 – total charge  
\$100,000 – PPO rate/covered charge  
\$50,000 – hospital write-off

Plan pays \$99,500  
Member owes \$500

Note that \$500 is the total out-of-pocket expense for the member out of a \$150,000 medical bill when using a PPO hospital. Now consider the out-of-pocket expense when the member could have used a PPO, but did not.

A non-PPO hospital (in service area) under the California Plan Schedule A:

\$150,000 – total charge  
\$100,000 – closest PPO rate/covered charge  
\$50,000 – member owes (no hospital write-off)

Plan pays \$99,500  
Member owes \$50,500

Because the member decided to use a non-PPO hospital when a PPO hospital was available, his or her out-of-pocket expense is \$50,500. This includes the amount that would have been discounted (\$50,000) had s/he used a PPO.

Members who do not have a Blue Cross catalog with PPO information should call and request a copy from the Fringe Benefits Service Center at (800) 532-2105. A comprehensive list of PPOs is also available online at [www.bluecrossca.com](http://www.bluecrossca.com). To find a PPO in your area, click on the "Provider Finder" link.

In the event of an emergency, or if a member lives out of the service area, members do not pay a penalty for using a non-PPO, as shown in the following example.

A non-PPO hospital (out of service area or emergency) under the California Plan Schedule A:

\$150,000 – total charge  
\$150,000 – covered charge/UCR  
Plan pays \$149,500  
Member owes \$500

## Brand-name vs. generic prescription drugs

The most important thing we need to understand about generic and brand-name prescription drugs is that in most cases, in terms of quality, purity, effectiveness and safety, they are virtually identical. Further, every drug sold in the United States must meet rigorous standards established and approved by the U.S. Food and Drug Administration (FDA).

Often, the only major difference between generic prescription drugs and brand-name prescription drugs is cost. Take a look at the following price comparison between some of the most common generic and brand-name prescription drugs used today.

### Diabetes

brand-name:	Glucophage 500mg #100	Cost: \$76.72
generic:	Metformin 500mg #100	Cost: \$35.55
		Price difference: \$41.17

### High cholesterol

brand-name:	Mevacor 20mg #90	Cost: \$184.66
generic:	Lovastatin 20mg #90	Cost: \$109.60
		Price difference: \$75.06

### Acid reflux disease

brand-name:	Zantac 150mg #100	Cost: \$196.99
generic:	Ranitidine 150mg #100	Cost: \$11.90
		Price difference: \$185.09

### Antidepressant

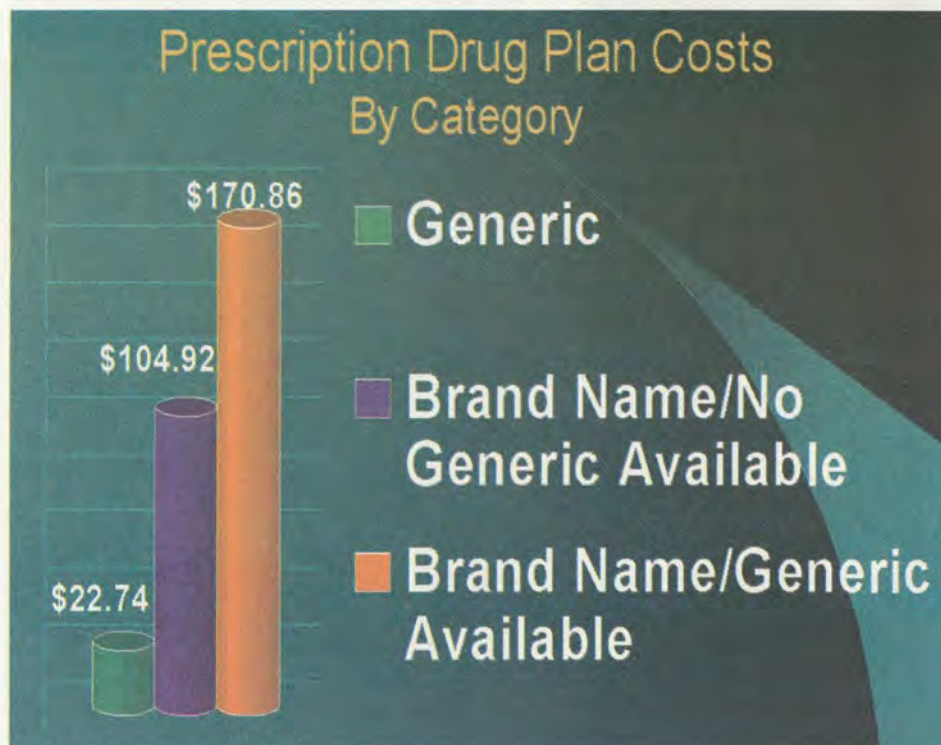
brand-name:	Prozac 10mg #90	Cost: \$294.89
generic:	Fluoxetine 10mg #90	Cost: \$17.80
		Price difference: \$277.09

### Pain medication

brand-name:	Vicodin 5-500 #100	Cost: \$76.31
generic:	Hydrocodone/APAP 5-500 #100	Cost: \$11.50
		Price difference: \$64.81

Brand-name drugs in general are significantly more expensive than generic. In fact, the average brand-name drug with a generic equivalent costs seven and a half times more than the generic, as indicated in the chart below.

Generic drugs cost less than brand-name drugs because generic manufacturers don't have the investment costs of the developer of a new drug. New drugs are developed under patent protection. The patent protects the investment – including research, development, marketing and promotion – by giving the company the sole right to sell the drugs while it is in effect. As patents near expiration, other manufacturers can apply to the FDA to sell generic versions. Because those manufacturers don't have the same development costs, they can sell their product at substantial discounts. Also, once generic drugs are approved, there is greater competition, which keeps the price down.





Other, minor differences between generic and brand-name drugs are their name and appearance. United States trademark laws do not allow a generic drug to have the same name or look exactly like the brand-name drugs. While colors, flavors and certain other inactive ingredients may be different, generic drugs must duplicate the active ingredient in brand-name drugs.

Find out more information about generic drugs by talking to your doctor or pharmacist on your next visit or refill or by visiting the FDA Web site at [www.fda.gov/cder/ogd/index.htm](http://www.fda.gov/cder/ogd/index.htm).

### ER services

When it is possible and appropriate, we need to call our PPO doctor before seeking emergency room services. It is not cost effective or responsible to use the emergency room for non-emergency conditions, such as a head cold or an earache. This type of irresponsible behavior takes a costly toll on our health and welfare plan, and we cannot afford to let it continue.

We can help ensure the emergency room is used wisely and cost effectively by selecting the appropriate type of care that is needed. Examples of emergency conditions include, but are not limited to, chest pain, difficulty breathing, deep cuts or severe bleeding, poisoning, drug overdose, broken bones, unconsciousness, very high fever, automobile accidents, and pain or bleeding during pregnancy.

It is important to understand that our health plan allows us to always have access to an emergency room. When we experience an emergency, such as those described above, we should call 911 or go to an emergency room. However, the emergency room is not necessary for all immediate, urgent care needs. Our PPO doctors can handle urgent care needs, including sprains, strains, urinary tract infections, earache, rash, minor burns, minor allergic reactions, cuts and lacerations, fever, vomiting and diarrhea.

The time we need urgent care is not the time to educate ourselves about our doctor's office hours or learn whether or not they are open on nights or weekends. While an after-hours visit may cost more than

a visit during regular business hours, it is most likely less expensive than a trip to the emergency room. Likewise, the time we need emergency services is not the time to find out which nearby hospitals belong to our health plan's network of providers. We must be responsible and learn this information ahead of time.



### Taking charge of our health

Being responsible plan participants also means looking at ways we can improve our health, such as having an established relationship with our PPO doctor, beginning a wellness and self-care program, educating ourselves on our medical conditions and considering disease management.

### Establishing a relationship with our doctor

Choosing a PPO doctor before there is a health need is a wise decision for our health and our finances. This avoids unnecessary visits to the emergency room in non-emergency situations and promotes more efficient and effective treatment. Generally, appointments with

a doctor are more readily attainable if we already have an established relationship with them. The same is true when we need to be referred to a medical specialist. A doctor who has our records on file can direct us to a specialist faster than a doctor we're seeing for the first time. In addition, when we know our doctor, we are more comfortable communicating our concerns or questions with him or her. Making sure that our doctor understands our expectations and needs can result in a more effective treatment plan.

### Wellness and self-care

The purpose of wellness and self-care programs is to make maintaining health as important as treating sickness – something we should all strive for. Read pages 4 and 5 of next month's edition of *Engineers News* for information about the Local 3 officers' "Self-Care for Health Care" campaign.

By taking better care of ourselves, we can reduce the chance of illness or injury and lower our health care costs. Healthier living for some of us starts with a decision to avoid certain types of risky behaviors, such as using tobacco, abusing alcohol or driving without a seatbelt. For others, it involves eating a healthier diet, getting more exercise or practicing preventive care.

### Nutrition

The Food Guide Pyramid is a good reference for everyday healthy eating. It is based on USDA's research on what foods Americans eat, what nutrients are in certain foods and how to make the best food choices. It recommends a variety of fruits and vegetables that provide essential vitamins and minerals, fiber and other substances that are associated with good health.

Low-fat diets rich in fiber-containing grain products, fruits and vegetables may reduce the risk of heart disease and some types of cancer. Milk products provide protein, vitamins and minerals and are the best source of calcium. Fats, oils and sweets provide calories but little else and should be used sparingly.

It's easiest to make small changes to your diet, and make additional changes gradually until healthy eating becomes a habit. We can start by eating (not skipping) breakfast. A bowl of whole grain cereal – something like Wheaties or Cheerios, not a sugary cereal like Cap'n Crunch – with milk is actually a very nutritious breakfast when you add a piece of fruit or a glass of juice. Other easy breakfast alternatives are bagels, breakfast bars and English muffins.

If you eat a Superstar from Carl's Jr. for lunch, remember to balance it by eating a nutritious dinner. Also know that it's not healthy to eat a fast food meal for lunch every day. Moderation is key. It's OK to have a couple of cookies or some potato chips for a snack, just not the whole bag. Even better, choose healthier snacks like yogurt or a piece of fruit.

Drinking enough water throughout the day is essential to keeping hydrated, converting food into energy, carrying nutrients throughout the body and removing waste. Remember to drink extra water when consuming salty foods, alcoholic beverages or soft drinks, as these types of foods can deplete the body of water.





## Physical fitness

It is never too late to start exercising. Young or old, we should all incorporate regular physical activity into our everyday lives. Besides building strength and aerobic fitness, exercise relieves stress, provides motivation, promotes relaxation and facilitates sleep. Studies show that even as few as 20 minutes of exercise a day can improve overall health. Exercise can reduce the risk of coronary heart disease and decrease the risk for colon cancer, diabetes and high blood pressure.

Most of us can fit exercise into our daily routines if we make the decision to do so. It is sufficient to choose activities that either speed our heart rate and breathing or increase our strength and flexibility. Adequate daily exercise includes taking the dog for a walk or walking to a desired location instead of driving, gardening, mowing the lawn, taking the stairs instead of the elevator or stretching while watching TV.

Another important element of keeping a healthy body is getting enough rest. A good night's sleep is important to our overall health and ability to function effectively throughout the day. Getting enough sleep also is important for our safety, as we are more alert and aware of our surroundings if we are well rested.

## Prevention

One of the most important ways to stay healthy is to practice self-examination and see our doctors regularly for appropriate health screenings and other forms of preventive care, including immunizations and health counseling. Preventive care can help identify a previously undiagnosed medical condition or risk of condition. Early detection allows us to control conditions before they become serious, and therefore improves health outcomes and costs.

In an effort to promote preventive care, Local 3 and Health Examinetics are offering a comprehensive health check-up to all active and retired members and their spouses covered under the California Schedule A plan this February and March. The check-up is offered at no cost to the member and spouse and includes more than 50 tests, including complete blood chemistry (with HDL and LDL cholesterol levels), electrocardiogram, chest X-ray, lung function, urinalysis, hearing, vision, blood pressure, height and weight. All members 50 years of age and older are eligible for a Prostatic Specific Antigen (PSA) test.

To find out when the Health Examinetics mobile clinic will be visiting your area, call (800) 542-6233. If you are unable to take advantage of this opportunity,

remember that health screening tests are available at no cost to members twice a year at the Semi-Annual meetings in September and March. Otherwise, talk to your doctor about preventive care services available through him or her or elsewhere.



## Health education

The more knowledgeable we are about our health, the better we can understand and control our conditions and the costs associated with them. It allows us to better converse with our doctor about our conditions and helps us understand what our doctor is telling us to do and why. It also prepares us to ask him or her relevant and intelligent questions about treatment options and potential side effects.

There are a number of ways for us to get educated about our health. In addition to our doctor, the public library is a great resource for health information. Online research can also be a useful resource. However, some Web sites post outdated or confusing information. Members are advised to obtain health information online from national organizations such as the American Diabetes Association, American Heart Association, American Lung Association and the American Cancer Society.

## Disease management

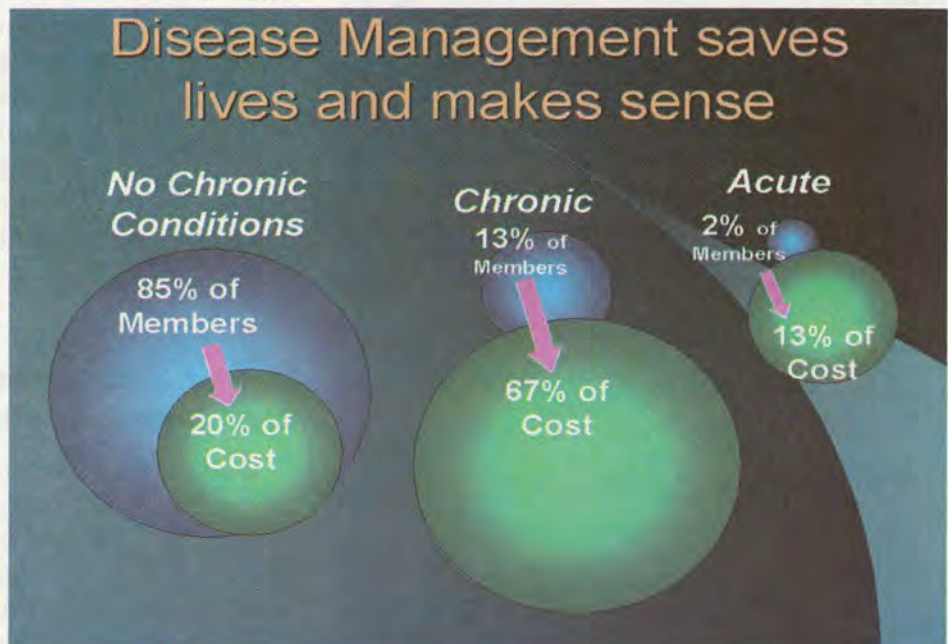
By helping those suffering from chronic diseases improve their health and control costs, we all benefit. Look at the chart below.

In general, a relatively small percentage of Local 3's membership (13 percent) with chronic conditions uses almost 70 percent of the fund's resources. The majority of our membership (85 percent) does not suffer from chronic conditions and uses about 20 percent of the fund's resources. The remaining 2 percent with acute conditions uses 13 percent of the fund's resources.

If only 1 percent of the Local 3 members suffering from chronic diseases improved their condition, the fund would save millions in 2005, and even more in subsequent years.

Disease management programs, like the one available to Local 3 members covered by the California Health & Welfare Comprehensive or Pensioned Health & Welfare plans, can help those savings be realized.

Local 3's disease management program is offered by CorSolutions, one of the nation's leading health intelligence and solutions companies, and aims to improve the health and well-being of members and eligible dependents suffering from diabetes, chronic obstructive pulmonary disease (COPD), coronary artery disease (CAD) and congestive heart failure (CHF). The confidential phone-based program provides members with registered nurses who can answer health-related questions 24 hours a day, seven days a week. Enrollment is voluntary and is offered at no cost to the members.





If you received a letter about CorSolutions and would like more information, visit [www.ecorsolutions.com](http://www.ecorsolutions.com) or contact the Fringe Benefits Service Center at (800) 532-2105.

## Taking political action

To ensure the protection of our health care benefits, we must be politically proactive. Local 3 is asking the membership to get involved by joining the Operating Engineers Community Action Team (OE CAT), attending union meetings and electing candidates who support the health care cost issues of working families.

### Operating Engineers Community Action Team

As we all know, this is a major election year at every level of government. If you are not already involved with the OE CAT, now is the time to join. The leaders we support and elect in 2004 will have a major influence on current and future legislation that will address the health care costs and needs for all of us. Our job as CAT activists is to carry Local 3's message to legislators and the public, so that those running for elected office are forced to deal with our issues and those in office are held accountable.

Our activism would allow us to win much needed legislation, such as improved health insurance, lower prescription drug prices, better trade policies that would stop the mass exodus of American manufacturers and possibly even the much-sought-after national health care for all Americans.

CAT activists are often called to action when a candidate needs Local 3's support or when there is an issue that is expected to affect the membership. Whether it is attending a city council meeting, literature drops, precinct walks, phone banks or yard sign installations, there are plenty of opportunities for us to take action. Call your district hall to find out about the CAT activities going on in your district.

### District, Retiree Association and Semi-Annual meetings

One of the best ways to keep ourselves on top of the latest news and upcoming events within the local and our districts is to attend district, Retiree Association and Semi-Annual meetings. This is where we would learn, for example, about California's Senate Bill 2 (SB2), "Health Care for Working Families." SB2 requires employers to provide

a minimum level of health care for their employees. Because we all pay for the uninsured through increased taxes and increased charges by health care providers, SB2 could benefit Local 3 members, and all Californians, by reducing the number of uninsured, therefore reducing this burden. California Gov. Arnold Schwarzenegger is trying to eliminate SB2.

District and Semi-Annual meetings are our way to stay informed on bills like SB2, as well as other legislation and issues affecting our lives as union members. Although attendance at district, retiree and Semi-Annual meetings is mandatory only for apprentices, all members should attend and participate. Check the *Engineers News* or call your district hall for the date and location of your next district and Retiree Association meetings. The next Semi-Annual meeting is Sunday, March 14 at 1 p.m. at the Solano County Fairgrounds. Semi-Annual meetings are held every year in September and March.

### Working-family candidates

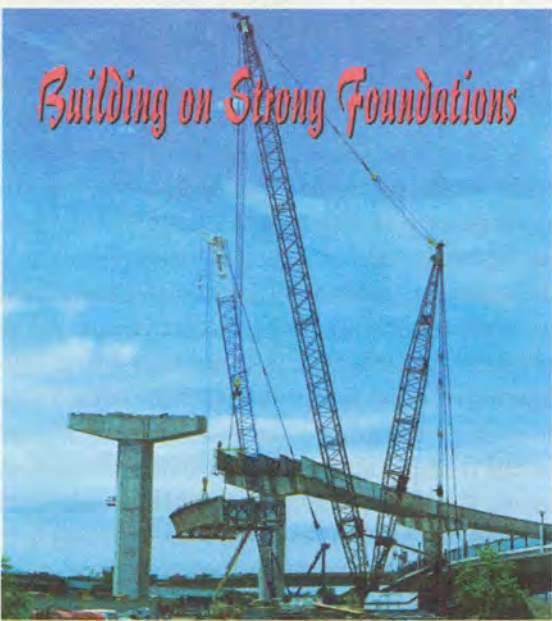
The next step after having participated in CAT activities and union meetings is perhaps the most important: GOTV – get out the vote. Voting is our opportunity to make our voices heard regarding health care and other issues important to us. We must elect leaders who will do the right thing for working families.

To help guide the membership through the voting process, Local 3 will release a list of endorsed candidates in *Engineers News* in the fall (similar to the March 2004 election pull-out in last month's paper).

We should make the extra effort to share the information with our families and friends, so they too can support Local 3's endorsed candidates. We need the help of everyone to make a difference. We cannot afford to let this opportunity pass us by.


### Stay tuned

Members will be updated with more ways to remain politically and individually proactive as the health care crisis continues. For now, let's concentrate on this three-part action plan. Our decision to act now is critical to the continuation of a stable Trust Fund and to our own pocketbooks. Indeed, the time is right for us to stand together in the best Local 3 tradition to do all we can as we face this challenge together.



**Building on Strong Foundations**

**SEMI-ANNUAL MEETING • SUNDAY, MARCH 14**  
10 A.M. REGISTRATION • 1 P.M. MEETING  
SOLANO COUNTY FAIRGROUNDS, VALLEJO, CALIFORNIA



## HEALTH CARE PRESENTATION

From March through the end of May, a presentation regarding the health care crisis and how it affects you and your union will be given at district and Retiree Association meetings. Be sure to check the district meetings and Retiree Association schedules in the meetings and announcements section of *Engineers News*, and plan to attend your next meeting.





## OE CAT

By Cindy Tuttle, Political Director

### Why your vote matters

Did you know your vote could determine how much you pay for health care? It's true. A recent study released by the California Department of Finance tracking health care costs during the last three presidential administrations in the United States, from 1987 through 2004, proves it. Results from the study are shown in the "Politics Matter" chart on page 17.

Clearly, health care costs during the George Bush senior and George Bush junior administrations were higher, much higher, than health costs under Bill Clinton. Note the dramatic rise over the last four years. The 2002 medical inflation rate, or health care price increases, reached almost 14 percent and escalated even higher in 2003.

If that doesn't motivate you to get out and vote in November, maybe this will: Recent Census Bureau reports on income and poverty in the United States found that most key measures of economic well-being for average families declined under the Bushes and improved during Clinton's term in the White House. Economic measures like median family income and job creation levels hit record lows under the Bushes and soared to record highs under Clinton. The same trend held on the national unemployment rate, poverty levels and the federal deficit – each increased under the Bushes and decreased under Clinton.

It is true the economy plays a major role in determining these trends, but the choices our commander in chief makes matter too. Take unemployment, for example. Clinton created an average of 236,635 new jobs per month, or about 23 million new jobs during his eight years in office. By contrast, Bush junior has forced 10 million Americans into unemployment, and the impact from his tax cuts for the wealthiest Americans has yet to be fully realized.

The bottom line here is that it does matter who's calling the shots in Washington – we are affected by their decisions every day – and we the people need to make sure that person is a friend of labor. Election Day, November 2004 is our opportunity to oust Bush and reverse the anti-worker trends his administration has accomplished.

Another reason to cast a ballot in November is SB2, "Health Care for

Working Families," a bill that would mandate employer-sponsored health care in California. SB2 doesn't affect Local 3 members directly because we already enjoy employer-sponsored health care through good contracts. But it does affect us indirectly. Right now, we are paying additional health care costs for uninsured Californians in the form of higher taxes and increased charges from our health providers. With SB2 in place, almost all workers in California will have health care coverage, which frees us from covering additional health costs for uninsureds. That's why we're opposing the repeal of SB2.

Our opponents, those pushing for the repeal of SB2, include the California Chamber of Commerce, retail, restaurant, taxpayer and business property owners. You can bet the grocery store giant Safeway and its subsidiaries, Vons, Albertsons and Ralphs, are among them. As we all know, employer-sponsored health care is the main reason UFCW members in Southern California have been on strike for almost five months. Safeway is insisting on the elimination of health care benefits for all new employees and refusing to adequately fund existing benefits for current employees. That isn't good for UFCW members or for union members nationwide. A loss for UFCW would give employers in California and across the nation more leverage in the political arena and at the bargaining table. Same goes for a repeal of SB2 – it would mean more power for them.

With your help at the ballot box, we can push back. We have 42,000 represented workers, plus thousands more family members and friends on our side. This is called people power, brothers and sisters. Together, by exercising our right to vote, we can really make a difference. Let's take the initiative and put labor leaders back in power in November.

In the meantime, we can make an effort to respect UFCW's picket lines and avoid Safeway, Vons, Albertsons and Ralphs until their health care dispute with UFCW is resolved.



## INSIDE NEGOTIATIONS

By Frank Herrera, Vice President

### The future of health care?

During negotiations, health care is a top priority; it is one of the first issues I bring up and something for which I refuse to back down.

Everyone deserves quality health care for themselves and their families, and unfortunately, with health care costs continually rising, many employers cannot or are not willing to offer this benefit to their employees. And now, a record number, 43 million Americans, are uninsured.

Something that has been long talked about that could ease the burden for all Americans is universal health care. Also called single-payer health care because the money spent on health care would be collected by a single public agency and paid to all health care providers, this system would provide every American with at least a minimum level of health coverage. This sounds expensive, but actually, it would save us all money.

Health care for the uninsured is paid for by all of us through increased taxes, increased charges by health care providers and increased costs for health care plans. It has been found that allowing millions to be uninsured costs the nation between \$65 billion and \$130 billion every year.

Universal health care would save money by reducing the administrative costs our government now pays for managing our current multi-payer system, and by improving health care opportunities for all. The Lewin Group, a health care and human services consulting firm, found through an independent study that total savings to Californians of a single-payer health care system would be \$3.7 billion to \$7.6 billion per year. But the savings is not entirely state savings; it's about a 50/50 split between the state and the private sector.

The United States is the only industrialized nation that does not guarantee access to health care as a right of citizenship. But amazingly, with fewer insured citizens, our nation actually spends more on health care. Health care accounts for about 15 percent of our nation's gross domestic product, while it only accounts for 10.9 percent in Switzerland, 10.7 percent in Germany, 9.7 percent in Canada and 9.5 percent in France.

Universal health care will likely be debated for a long time to come, but in the meantime, I think all of us should feel fortunate to appreciate the "Cadillac" health plan our Local provides.

Local 3 has taken care of its members' health needs for years and will continue to do so. The union's largest health and welfare plan covers 15,000-plus members and their families. By the end of April 2003, the plan had paid more than \$78 million on hospital and medical claims, close to \$20 million on prescriptions and more than \$17 million on dental claims.

As a member of the Claims Appeals Committee, I review all health claim appeals filed by the membership. Most of the appeals I see are based on members not utilizing their Preferred Provider Organizations (PPOs). I cannot stress enough how important it is for members to use contract doctors and contract facilities for their health needs. Our plan does not cover the extra costs associated with non-contract providers (non-PPOs). Members are liable for those costs, which often are double, triple, even four times above the contract rate. Remember, you can easily avoid the extra costs by using preferred providers.

Also remember to pay attention when your doctor gives you a referral. One of the most common mistakes I see people make is to assume their PPO doctor is referring them to another contract doctor or contract facility. If your doctor gives you a referral, you must make sure the referred doctor or referred facility is also a preferred provider. Otherwise, you will pay the difference out of your own pocket. The only way to reap the full benefits of your plan is to pay attention, ask questions and always remember to use PPOs.





## FRINGE BENEFITS

By Charlie Warren, Director

# Self-Care for Health Care Tip of the month

In enacting the Self-Care for Health Care program, which will be detailed in next month's issue of *Engineers News*, the Local 3 officers have made a commitment to battling rising health care costs by practicing self-care, and they invite you to join them in this effort.

As part of the Self-Care for Health Care campaign, the Fringe Benefits page of the *Engineers News* will include a self-care tip each month to keep you educated about maintaining good health. The following is a tip regarding whole grains and heart health.

### Get the whole grain picture

Even though research continues to support the role of whole grains in preventing a variety of diseases, many people are missing the nutritional message.

Whole grains are very beneficial to your diet. They can help reduce your risk of heart disease, stroke, type 2 diabetes, several forms of cancer and some gastrointestinal problems.

Whole grain varieties include wheat, oats, corn and rye along with lesser-knowns like barley, spelt, groats, wheat berries, millet and flaxseed. Whole grains are found in cereals, breads, flours and crackers and some whole grains can be used as side dishes or part of an entree.

Find whole grains by checking the package label for the words "whole" or "whole-grain." Phrases like "stoned wheat," "cracked wheat" and "wheat flour" don't guarantee the presence of whole grain.

The Food Guide Pyramid recommends six to 11 servings of grains per day; aim for at least three of those servings to include whole grains.

*Produced by ADA's Public Relations Team*

## CorSolutions

If you suffer from coronary artery disease, diabetes, congestive heart failure or chronic obstructive pulmonary disease and are covered by the California Health & Welfare Comprehensive or Pensioned Health & Welfare plans, you may be eligible to receive help managing these conditions from the new pilot program offered by CorSolutions. This confidential phone-based program was recently added to provide members and eligible dependents with registered nurses who can answer health-related questions 24 hours a day, seven days a week. Enrollment in the program is voluntary and is offered at no cost to Local 3 members. If you would like more information, contact the Fringe Benefits Service Center at (800) 532-2105.

### Coming soon: health care presentations

The rising cost of health care is a major concern for working families. To help our members understand the challenges we are all facing, there will be a special presentation at the district meetings and the Retiree Association meetings beginning March 4.



## ORGANIZING

By Ras Stark, Organizing Director

# Stop the merry-go-round

Unorganized workers often tell Local 3 organizers they are tired of riding their employer's fringe benefit "merry-go-round." They're interested in gaining control over their lives. Their employer's fringe benefit programs, while sounding good, aren't all they're cracked up to be. In some instances, because of the way benefit programs are set up, they offer no benefits at all.

For example, how about health insurance that requires an employee contribution of \$150 per month for the employee only, another \$150 for one dependent or an additional \$250 for a family? That's \$300 a month for husband and wife coverage or \$400 a month for family coverage.

It's hard to pay for individual, let alone family coverage when you only make \$12 an hour.



Even when workers can afford the monthly premiums, it still doesn't mean they have real health insurance. How about a program with an annual deductible of \$3,000 that requires a \$50 co-pay for a doctor's office visit and has a \$500,000 maximum lifetime benefit? Worse yet, how about health insurance that doesn't kick in until a worker spends \$10,000 out of his or her own pocket? How about changes

and increases in co-pays occurring two to three times a year?

Another common ploy is 401(k) salary savings programs. Workers are told the program is an employer-sponsored retirement program. The trouble is that the only money that goes into it is paid by the worker. The employer pays in nothing. Some plans provide for employer payment after five or 10 years of service. Even then, the employer usually only provides a small contribution. As with health insurance, it's hard for workers to put money into these plans when they make \$12 an hour.

As you can see, for many unorganized workers, health insurance and pensions exist only in their employee handbook.

Gaining Local 3 representation helps workers like these gain control over their lives. A union contract spells out insurance benefits, costs and procedures, limiting when and how benefits can be changed. In many instances, Local 3 offers better health insurance benefits at a lower cost to the employer. Workers get better benefits, and it costs their employer less money to boot. We also offer workers the opportunity to negotiate a real pension plan — one that will pay real money long after retirement.

We may not have all the answers, but one thing I know for sure, Local 3 can help unorganized workers get off the health insurance and pension merry-go-round. That, along with improved wages and working conditions, ensures workers and their families a better life by working union and becoming part of the Local 3 family.



# Public Employee News

VOL. 5, #3 • OPERATING ENGINEERS LOCAL UNION NO 3 • ALAMEDA, CA • MARCH 2004

## Rancho Murieta CSD labor negotiations: the rest of the story

By Dean Cofer, business representative

Operating Engineers Local 3, representing workers employed by the Rancho Murieta Community Services District, has been forced to declare impasse on negotiating an initial labor agreement.

In August 2002, a general bargaining unit including security, water, sewer and office employees was formed and became represented by Operating Engineers Local 3. However, the district contracted with and paid an outside labor consultant to fight recognition of the bargaining unit. Only following a protracted legal battle, lasting well over a year, was recognition finally granted, enabling OE3 to begin negotiations with the district.

After 11 bargaining sessions, including state mediation, the district refused to move on wages and insisted on workers picking up a large percentage of medical premiums. Shown below are issues that led to the impasse.

**Wages:** The district uses a salary scheme called "Pay for Performance." In simple terms, this means employees are allegedly rewarded for superior performance and receive annual wage increases based on a subjective evaluation. OE3 proposes to change the system to a salary matrix that advances employees in steps based on seniority and work performance.

The district's records show that the Pay for Performance system works extremely well for managers. All managers received hefty raises in 1999, 2000, 2001, 2002 and 2003. The only exception was when the general manager, in 2000, accepted the full-time use of a district vehicle, along with gas and maintenance. The IRS can tell you that this little perk is worth thousands of dollars a year.

In sharp contrast, only five of 24 workers received annual pay raises in 1999; only 10 workers received raises in 2000; and only 12 workers received pay raises in 2001. After the union entered the picture and questioned the fairness



of the Pay for Performance system, the number of workers receiving raises improved — 18 of 24 workers received pay raises in 2002, and 19 of 24 workers received raises in 2003. Did workers suddenly become superior performers, or did the district realize the union was right? You be the judge.

**Medical Premiums:** The district insisted, to impasse, that bargaining unit employees had to pick up a large portion of the monthly medical premiums. The union pointed out that because of low wages, many bargaining unit workers could not afford to pick up an increase in medical premiums. In fact, some bargaining unit workers have dropped their medical coverage because of the increases and have turned to the county emergency room for medical treatment.

The union has demanded to know if management would be required to pay the same large portion of the medical premiums. The district has refused to respond, except to say that the decision is up to the Board of Directors. As far as we can determine, managers are still not contributing toward their medical premiums.

By the time this article is published, our members — assisted by Operating Engineers Community Action Team members from the Sacramento and Stockton districts, along with the organizing department and JAC, complete with the inflatable rat — will have already conducted informational picketing and addressed the district's Board of Directors Jan. 21.

OE3 members employed by the Rancho Murieta Community Services District are seeking fair, just and equal treatment. They want to get rid of an unfair, purely subjective system of granting annual pay increases, and they want fair and equal treatment in regard to medical premiums.





## NEWS FROM THE public employees



by

**KURT BENFIELD**

**Director of public  
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OPERATING ENGINEERS  
LOCAL 3

# Medical savings for you

## Rising costs

As everyone is aware, there is an epidemic in rising medical costs across the nation. It affects everyone without conscience and continues to skyrocket almost daily. Every aspect of medical coverage is on the rise, from the much-loved co-pays, deductibles, vision care and dental, to the always-needed prescription drugs. There is no end in sight, and barring some sort of action from the federal government to put a cap on it, we are in for some serious times ahead.

## Prescription savings

With all the rising costs, many agencies, including OE3, have been trying to find ways to reduce the rising costs of medical to members and employees. Unfortunately, all anyone can do is to try to reduce the amount of increased costs.

The majority of rising medical costs can be found in prescription drugs. The prescription drug market right now is like the Indianapolis 500 with all the manufacturers jockeying for position to get your business. There were millions, sometimes billions of dollars spent by drug companies to advertise drugs such as Claritin, Nexium and Viagra last year. If you watch TV, you see how we are bombarded daily by the numerous new drugs advertised. Guess what, those advertising costs are not just written off. They are passed on to you, the consumer.

Many might ask why millions of dollars were spent on an already well-known allergy pill such as Claritin, which is now avail-

able over the counter. And there are some who say Nexium's predecessor, Prilosec, actually performs better and has fewer side effects — a fact that Nexium's makers of course dispute. The truth can only be known by those who have tried both drugs for their affliction.

## Generic help

Let me introduce "generic drugs" to you if you are not already familiar with them. Many people say you get what you pay for, which may be true when it comes

to jewelry, cars, custom homes and yachts. That is not always the case when it comes to prescription drugs. According to the Food and Drug Administration, generics are significantly less expensive and work just as well, if not better in some cases. If you use generics rather than brand name, you help control rising health care premiums by reducing the amount paid to the drug company from the

insurer. If you are an employee who has a co-pay, you reduce the amount paid by the insurance for the cost between the co-payment and the medication's total costs.

## Are you sure about generics?

Remember, a generic drug can sometimes be as much as 10 times cheaper than the brand-name parent drug. Examples are easy to find, even over the counter and on something as common as aspirin. Go to your nearby grocery store and look at a brand-name bottle of aspirin,

ibuprofen, cold medication or cough syrup. Then find the grocery store brand. The label usually contains the same ingredients. The grocery store brand is usually cheaper and will do the same thing. The same goes for prescription drugs. Using generics can save billions of dollars a year in retail costs to pharmacies and ultimately, to the medical plan. More could be saved if medical care providers such as hospitals and care homes used them. Those savings of course help reduce your costs long term.

Many people are encouraged to use the latest and greatest drugs advertised endlessly on TV and radio. Have you asked if there is a generic available for the drug you are taking? If not, maybe you should and save yourself and your fellow employees some money. Many people believe that generic drugs do not work as well or are a lower-class drug. Under FDA guidelines, generic drugs have to mimic their brand-name parent drug with regard to ingredients, time of effectiveness, manufacturing standards and risks.

I always ask for generic if it is available. You can do so, too, and save everyone money in the future. There is something to be said when a drug made in the United States can be purchased here for \$125 for 60 pills and the same drug that has been shipped to Mexico or Canada from the United States can be purchased in those countries for half the price. I will touch on this issue in my next article.

Rest assured, Business Manager John Bonilla, his team of officers and all of Local 3 will do what they can to continue to provide quality medical care and help fight the skyrocketing health care costs. You as a member can help. Ask for a generic on your next prescription, and most of all, stay healthy.

# CEMA to revamp political action program

By Tom Starkey, business representative

Since the late 1990s, the County Employees Management Association (CEMA) has had a political action program. Its main focus was to make political donations to county elected leaders, as well as some state legislators who were supportive of public employee issues such as retirement improvements. Members of the Executive Board also attended important fund-raising events, and to a limited extent, helped with the campaigns of candidates they supported.

The newly elected CEMA Executive Board is reviewing the goals for CEMA for 2004. A main focus of the Executive Board will certainly be to rebuild the CEMA political action program to make it a more

powerful force to meet the needs of the CEMA-OE3 membership.

The rebuilding effort under consideration aims to invite the many members of CEMA who have been politically connected within the community for years to form a political action steering committee. This committee would define the mission and purpose for the CEMA political action program, lay out the political action efforts for each year and reach out to members to get them involved in phone banking and precinct walking for CEMA-endorsed candidates.

The recent full membership affiliation with the Operating Engineers Local 3 gives CEMA some new opportunities to work

more closely with the District 90 San Jose Operating Engineers Community Action Team to strengthen Local 3's agenda, as well as CEMA's. Part of the plan under consideration is to become more active with the political activities of the South Bay Labor Council, which will help build new and stronger relations between the labor council and CEMA.

These important changes will demonstrate to the elected leaders that CEMA and OE3 can make the difference in their election. CEMA leaders know if that happens, CEMA can count on elected leaders to support CEMA-OE3 issues that are important for our membership.



# SD public employees won't take no for an answer

By Terry Hutchison, business representative

Operating Engineers Local 3 Public Employee Division maintains jurisdiction in the western half of South Dakota. Roughly an area reaching from the Wyoming border to the Missouri River east to west and from Nebraska to North Dakota on the north and south — a large area covering about 38,000 square miles.

Within this jurisdiction we service school districts, sheriffs' departments, police departments, county public works, city public works and county clerical units. In addition, there are several employee units in the process of organizing.

Currently, we have a monopoly on the South Dakota Department of Labor's time. We have a sexual harassment case, mediations, unfair labor practice complaints for failure to bargain

in good faith, several fact-finders and two cases of unfair discharges of union members.

Operating Engineers Local 3 Business Manager John Bonilla, President Bob Miller as officer in charge of South Dakota, Public Employee Division Director Kurt Benfield, Special Rep. Jim Sullivan, District Rep. Kris Morgan, Business Rep. Dean Cofer and I are working the legislative aisles in the South Dakota State Legislature to introduce legislation regarding a Police Officers' Bill of Rights similar to that which was established years ago in California. We believe this would set an example to law enforcement in South Dakota that there is someone here who would take the initiative in "protecting those who protect and serve." Working with both

Democrats and Republicans, we are hoping to get this legislation passed.

South Dakota is a different kind of place as far as labor goes. We are a right-to-work state with a set of laws that favor the employer more than the employee. It seems the duty of fair bargaining in South Dakota for an employer simply means having to show up and say "NO" to union demands. This would lead one to think that a typical public employee union member in South Dakota would become easily discouraged. There is nothing farther from the truth. Instead, OE3 members in South Dakota seem to want to fight harder for wages, rights and benefits. They just won't take "NO" for an answer. This gives me a great sense of pride for the privilege of serving these members.

Cities and counties that employ our union members seem to take them for granted and don't seem to remember that the elected officials took an oath, promising to serve everyone in the city or county. I believe our bargaining unit members in South Dakota are taking a close look at these officials and determining if they are labor friendly or not.

Many of these local elections are "close races" determined by a small number of votes. It is our duty to make a difference at the polls and make Western South Dakota labor friendly. Empowering the membership and educating the public is the only way to improve the employment situation. Continued hard work and support from the growing membership can make all of the above a reality.

NEWS FROM THE  
**public**  
employees

## Facing the good, the bad and the ugly

By Carl Carey, business representative

The good, the bad and the ugly. You will not often hear that said in the public employment arena. Not since the late 1980s to early 1990s has public employment had to look so deeply into itself to balance a budget. From the state to the smallest local entity, all have to tighten the purse strings more than ever before.

During times of economic boom we have had the "good." In the last two years we have seen struggles that we could define as "bad." And we are now entering the era of "ugly." Like no other time in recent history have budget deficits been so deep. We have survived the last couple of lean years with the help of creative accounting, cutting fat and, in some instances, employee give-backs.

Last year, to balance its budget, the city of San Francisco asked its employees for a 7.5 percent give-back in the form of shifting the cost of the employer-paid member contribution to the employee. In other words, the San Francisco employee saw a 7.5 percent loss in take-home pay. This came on top of a salary freeze. Most units incorporated a sunset clause into their contracts, stating that this give-back was for one year only, and upon June 30, 2004, 7.5 percent of their salary would be returned to the employees. If the city found itself in a budget crisis at that time, it would have to renegotiate with the bargaining units for its continuance. Sounds something like the vehicle licensing fee hikes, doesn't it? Now you have the relief, now you don't, and then you do again.

The city of San Francisco is already holding budget meetings and projecting that there will be a deficit between \$258 million and \$310 million, depending on what the employee groups do. And this does not take into account what would occur if the governor does not get his \$15 billion bond issue passed in March.

San Francisco is not the only municipality with financial problems. Alameda County is in the same boat. I represent one 16-person unit in the county. As of Feb. 13, 2004, there are seven people

left. This follows a five-position layoff from the year before. It's a dramatic step to have to layoff almost 67 percent of the workforce. Other units are being hit just as bad, with layoff notices going out to all classifications, and this is just the beginning.

No place is immune. We started negotiations for a new contract at the Golden Gate Bridge District knowing that there was a \$28 million deficit that had to be closed. After nine months of negotiations that included revamping health plans, tentative agreements have been reached. A three-year contract incorporating salary increases, increased benefits in some areas and language changes has been hammered out and is awaiting ratification by the membership. This is in conjunction with layoffs of bus drivers, machinists and other employees in the district. On top of this, a toll increase was adopted, so it now costs \$5 to cross the bridge. The end is still not in sight; there are even rumors of further toll increases.

This is looking at the problem from just one point of view. One must also consider that because of the budgetary crisis, state money for public works projects, highway funds and other discretionary funding will affect all members of this union. And don't forget the loss of programs that affect our lives.

San Francisco negotiations have yet to start. Alameda County is just now making drastic cuts in the midst of some hard negotiations, and the Bridge District is somewhat stable for the next three years. With creative thinking and hopefully some willingness to think outside of the box, we can see our way through this period and emerge better than when we started. Until this occurs, you will see the "ugly."





## NEWS FROM THE public employees

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## Getting involved: it's all up to you

By Joe Santella, business representative

It's all up to you. How many times have we heard that comment from our parents, our relatives, teachers or bosses? I'd like to add my voice to the chorus and say, "It's all up to you."

For 20 years I worked as a public employee and was constantly amazed and confused at the degree of apathy other public employees displayed about political action. While it is true that public employees mirror the population at large in their disillusionment with the political process, it always astounded me that public employees would not participate, thus giving up a golden opportunity.

Let me ask a question. If you could spend a couple of hours a month, make a few phone calls or knock on a few doors to help select your boss, would you? That is the opportunity you have when you volunteer to help an endorsed candidate get

elected. Think about it. In these difficult economic times with elected officials at all levels of government confronted with budget cuts and shrinking revenue sources, and with the state pulling more and more money from cities and counties, labor costs are a prime target.



Many of you have read about the massive layoffs in the private sector over the past few years — 3,000 here, 10,000 there. I believe employers refer to this as downsizing, but what we are talking about is the loss of jobs that some people never recover from. Well, it has now

worked its way into the public sector. We know it as a hiring freeze, furlough or simply attrition. Whatever the name, it is a loss of jobs for public employees. And in some counties, elected officials are actually looking at layoffs to solve their budget woes.

What does this have to do with volunteering for an election campaign? Just this: When you help a candidate get elected by volunteering, that candidate sees your face, gets to know your kids and spends time with you, and that makes it harder for that candidate to reduce your pay, your hours or to lay you off.

Every public employee in Operating Engineers works or resides in a district. Do you know yours? If not, ask your business representative, and while you're at it, ask what you can do to volunteer. Become

informed in the district's activities to help elect candidates; do what you can to help elect your boss! These are the people who hold your jobs in their hands. Whether dealing with layoffs due to budget problems, privatization for who knows what reason or just improvements to your contract, if they know your face and name and that you helped get them elected, you will have done more to help yourself in those few hours than any other thing you could have done.

In my 20 years in public employment I have seen it work and work well. We are fortunate to belong to one of the most politically successful unions in the nation, but our success is built upon active member involvement. Don't miss out on the fun of being involved. It's all up to you!

## Using your grievance procedure

By Patrick J. Thistle, business representative

One of the most effective tools in the arsenal of the Operating Engineers, or any union and its membership, is the grievance procedure. This is particularly true in the realm of public employment. Grievances, when filed under appropriate circumstances, constitute a valuable form of communication among employees, supervisors, their bosses and governing bodies. Grievances serve to avoid misunderstandings and miscommunication and draw management's attention to problems about which management was previously unaware or which had been misrepresented to upper management by supervisors and others. Using the grievance procedure generally enhances communication between the union and its members, supervisors and management.

When considering filing a grievance, first analyze the dispute or problem in light of the definition of a grievance in your contract or memorandum of understanding. If the problem appears to fit the definition of a grievance (i.e., violation of a contract provision regarding pay), and it appears the problem cannot be resolved through informal means, contact your steward or union representative, who will research to determine if there is a history of the same or similar grievance. If there is a history, the earlier resolution may be used to settle the present dispute. If the problem is new or unique, the steward or rep may try to resolve the dispute informally, but if necessary and appropriate, s/he will probably file a formal grievance.

Before filing a grievance, it is important to thoroughly investigate the facts that led to the dispute to ensure that every allegation or fact alleged in the grievance is accurate. Nothing is more destructive to the process than attempting to prosecute a grievance based on inaccurate or incomplete facts or a misrepresentation of the nature of the dispute. When possible, obtain the names of witnesses and copies of the rules, regulations, policies or procedures you believe have been violated, and suggest what the resolution or "remedy" should be to make things right. Work with your steward or representative to provide a complete pic-

ture of the situation, for in doing so you are likely to obtain a successful result.

In most enlightened organizations, mid-level managers who are empowered and settle disputes without formal upper-management involvement are regarded as having leadership skills and are lauded as problem-solvers. Conversely, mid-level managers who cannot resolve problems at the lower levels are often criticized by management for bringing disputes to higher management levels that should have or could have been settled earlier.

Many times, however, short-sighted, ignorant or insecure supervisors and managers are hostile to grievances and consider them an assault on management's authority to manage the workplace. But a proper grievance is not an attack at all. It is the acknowledgment of a formal process agreed upon for dispute resolution between two or more contracting parties, and submission to a process designed to solve workplace disputes, not harm the organization or poison the relationship between the employee organization and the employer.

Grievances are a good way of communicating problems that may later be raised in contract negotiations and often result in positive changes to the contract or memorandum of understanding in months or years to come. If several grievances have been filed regarding a specific topic or working condition or other problem, management cannot claim ignorance in negotiations or deny that a problem exists.

Frivolous grievances should not be filed, because to do so can result in a loss of credibility to you, the steward and union. Think carefully about and discuss the short- and long-term effects of filing, winning or losing the grievance. There are situations where there may be a technical basis for filing a grievance, but it is better to use some other means of resolution for the good of the majority of members of a bargaining unit. That is a decision best left to the discretion of the officers of the bargaining unit and the union. Use the tool wisely, and you and your fellow union members will reap benefits in the future.