

insight

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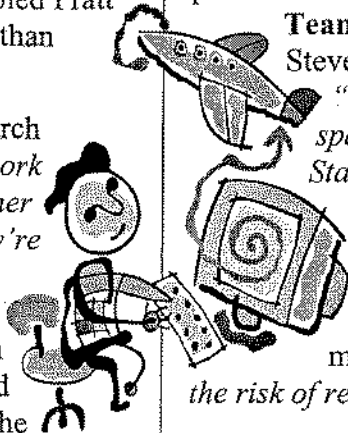
“All American” Hypocrisy”

Pratt and Whitney's PW6000, its newest jet engine, is going to be assembled in Germany, in the hope that it will result in higher sales. Pratt claims it is more apt to sell the engine to European customers if it allows more work to be done overseas. They theorize this might create higher demand and more work in Connecticut. In December 2001, Pratt admitted the PW6000's high-pressure compressor they designed failed to meet its target for fuel efficiency. This failure necessitated using a high-pressure compressor produced by MTU, which enabled Pratt to be ready for service 18 months sooner than if it had to redesign the part.

Paul Nisbet, an analyst with JSA Research says, *“Pratt might be giving MTU more work as part of a financial arrangement. Rather than sharing more dollars with MTU, they're giving them a bigger share of the engine.”*

This colossal failure by Pratt has not only pushed our commercial production from 2002 to 2005, it has severely jeopardized our chances of ever getting any work for the PW6000. The MTU factory is already tooled up with assembly and testing being done in Germany. UTC recently spent at least \$140 million for their Polish engine factory, giving our technologies and jobs away, and is now serving up the lion's share of PW6000 engine work to the Germans.

UTC's practices are obliterating Union jobs through the hypocrisy of corporate policy. The Carrier plants in Tennessee and New York have shutdown and moved overseas. UTC CEO George David says, *“Labor costs are substantially higher in New York, although the plant there scores highest in productivity and quality.”*



Even with the highest productivity, best quality and promises of state & local tax breaks, these loyal blue-collar brothers and sisters were predestined to fail, regardless of ACE.

Many of you have probably been following the news concerning Sikorsky Aircraft, the loss of the Comanche helicopter program and ensuing layoffs. Sikorsky has also been negotiating with a Turkish helicopter company about assembling Black Hawk helicopters in Turkey. They are touting a special version of the new twin-engine S-92 helicopter with a team of “international partners” with hopes of boosting sales worldwide. At the same time, Sikorsky is bidding to build the next presidential helicopter fleet with an “All American

Team” of companies to supply key components.

Steve Finger, Sikorsky president, stated,

“Clearly this team represents the best aerospace expertise and experience in the United States, and they represent the best expertise in the world.” He said the **All American**

Team would ensure total control of the program -from design, to manufacture, to

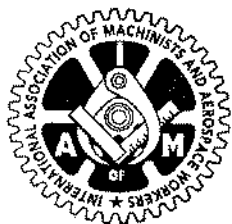
maintenance and security - so that it remains in the United States and *“eliminates*

the risk of relying on foreign suppliers.”

If UTC is so concerned about reliance on foreign components and suppliers, then why do they currently employ 205,700 people with **138,000** of them based outside the United States? That is an incredible 67% of employees in foreign lands. In 2003 alone, UTC employment outside the United States grew by 58,455, a 73% increase.

It's almost comical to watch the patriotic fervor with which King George and his band of profiteers wrap themselves in our flag, using their “All American” theme to pursue the \$7-\$8 billion presidential helicopter contract. Can UTC's actions be any more hypocritical?

Statement by AFL-CIO President John Sweeney on President Bush's "Flexitime" Proposal



President George W. Bush's call for "flexitime" and "comp time" is really about giving America's corporations the flexibility to cheat their workers out of overtime pay after forty hours a week.

President Bush has already presided over the biggest rewrite of overtime rules in the history of the Fair Labor Standards Act, stripping overtime protections from up to six million workers. Now he wants to weaken the rights of the remaining workers who will still be eligible for overtime by allowing the substitution of comp time for time-and-a-half overtime pay. In addition, Bush has said he wants to implement "flex time" which literally does away with the 40-hour workweek. Under "flexitime" workers would no longer get paid overtime if they worked 50 hours in one week and 30 the next, for example.

President Bush's proposal serves corporation's needs—not those of working families—by allowing corporations to work their employees more than forty hours in a week, without any cost to the employer. Though he dresses up this proposal in family-friendly "flexibility" garb, the reality is that employers will—once again—be the big winners under this proposal, while workers will end up working more for less.

The fact is that current law already allows employers to build any kind of flexible schedule with their employees that they desire—the only restriction is that employers must pay workers for any time worked after 40 hours a week.

The Bush proposal takes away corporation's one big disincentive against having their employees work excessive hours—a time-and-a-half cash premium. Many workers will feel pressure from their employers to work more than 40 hours a week without overtime pay, and then take time off in the coming weeks, in order to accommodate the employer's schedule—not their own.

The upshot of the Bush proposal is that working Americans will have less time with their families—not more. By making it cheaper for employers to demand overtime, "comp time" would lead to more

mandatory overtime, longer hours, and more unpredictable work schedules for workers.

In addition, any banking of comp time would essentially be an interest-free loan from workers to employers as employers compensate workers with time off rather than cash—often weeks later. Comp time is "paid leave" only in the sense that it is "paid for" by the worker's lost overtime earnings, minus interest. Enough is enough. The Bush Administration has produced the worst jobs record in decades, and presided over the first back-to-back decline in Americans' annual incomes since World War II. Corporate profits have grown but workers' wages are flat. Health costs are exploding, and coverage is declining. And now President Bush wants to imperil workers even more, through a comp time scheme in which employers hold all the cards.

The truth is the President's goal is nothing short of dismantling the wage and hour structure that has protected workers for decades. And it is corporations, not workers, who will benefit if the President gets his way. Contact Suzanne Folkes 202-637-5018

Tell Bush and Congress you'll remember their overtime pay take-away in November.

New rules on overtime pay went into effect Aug. 23, 2004. Some 6 million people are expected to lose their right to overtime pay because of George Bush's overtime pay take-away.

For more information or to sign the petition go to:

http://www.unionvoice.org/campaign/otpay_remember



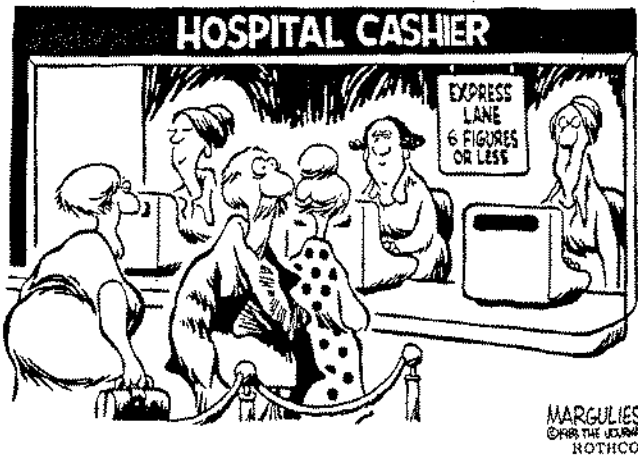
Here's another way to help save some money between now and contract time!

There are coupons in the paper, buy 1 get 1, all sorts of ways to save. Now would be a good time to stock up on food and household supplies. Stock up on food for Thanksgiving and Christmas Dinner. It would be great to buy some Christmas presents early too. We are running on almost EMPTY as its Sept. and December is right around the corner. Work OT, clip coupons, scale back, pay bills ahead.

If You Fail to Plan, You Plan to Fail !

We need to be ready to do BATTLE with UTC's Corporate Dogs! We deserve a good contract in '04!

UTC EARNS RECORD PROFITS...EMPLOYEES GET SHAFT ON INSURANCE



UTC had another great year in 2003 when shareowner return was 55% compared to Dow Industrial's 28% and the S&P's 29%. According to a UTC website if we look back more than 10 years, UTC's total shareowner return is 629% with the Dow Industrials at 242%, and the S&P 500 at 186%. Recently, CEO George David delivered fantastic news to investors by reporting that we are raising earnings and cash flow estimates for 2004. First half net income jumped 25% to \$1.4 BILLION. King George says he likes the way *"...the company is positioned for the next several years...the company feels great and we are set up well for the future."* In the last 42 consecutive quarters UTC has generated positive earnings, and www.CashFlowNews.com reports that UTC's earnings recently reached a nine-year high.

UTC's corporate bean counters take advantage (at our expense) of foreign currency exchange rates; they close factories, lay off people, outsource jobs, give away technology, allow salary and vendors to perform our jobs while markedly decreasing factory floor space and capability. They're not training their workforce to remain competitive, they don't replace retiring workers, they make minimal capital investment in machinery, and they allow facilities to fall into disrepair-unless they are overseas. UTC's profits are tainted; they simply aren't investing in the American workforce as they pursue the almighty dollar.

We can be sure that UTC will try to force us to take the same miserable health insurance package that

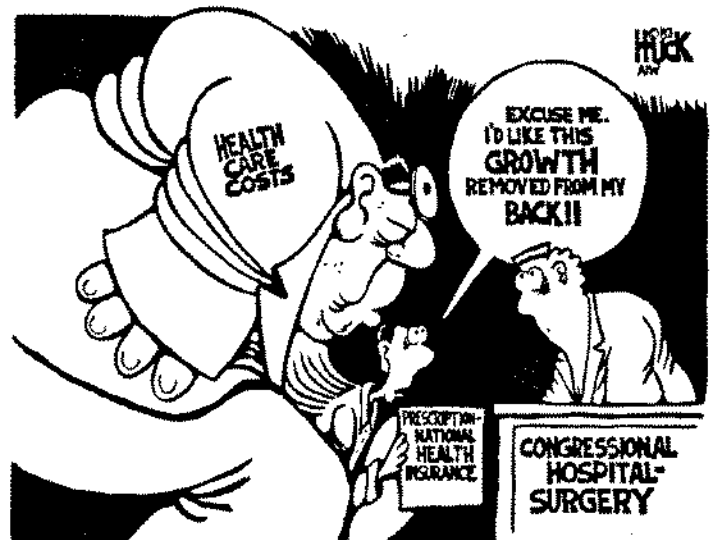
they forced onto IAM members at UTC Fuel Cells and Hamilton Sundstrand. Below are some actual examples of how these devious changes to UTC's health insurance package would affect you and your family. (Based on CIGNA costs, employee + family)

Current weekly cost for CIGNA + dental is \$18, which will go to \$43.05 per week in the third year. Annual costs for the first year will be \$936; but by the third year the rates will cost \$2,239, an increase of 139%.

A family taking five preferred brand prescriptions a month now pays a \$15 co-pay, or \$75 a month; with UTC's new rates those prescriptions will each cost \$30 a month, for a total of \$150. For the year, that will equate to an increase of \$900. Office visits will double from \$10 to \$20; specialists from \$10 to \$30, urgent care from \$50 to \$75, emergency room from \$50 to \$75 and any PET, MRI, CAT, or MRA scan will go from \$0 to \$150.

If we add the weekly family rates of Cigna in the third year for a family with only five preferred prescriptions a month, six annual doctors visits, six annual specialist visits, two urgent cares, one emergency room visit, and one PET scan, we figure the cost in the third year of coverage for this family will be \$4774. Cigna rates *for the same coverage right now* would be \$2106 resulting in a difference of \$2668. That is a 127% increase in your insurance, based on a low estimate of a typical family's health needs.

UTC is not only profiteering by sending our jobs overseas; even though their financial picture has never looked so good, they insist on squeezing more money from employees' and retirees' insurance plans. We all know how they make money...*any way they can.*



**Next Monthly Meeting:
 Sunday, September 12th, 2004@11:00 AM
 Nominations for Local Executive Board**



**United Way Union
 "Leadership Donors"**

We are proud to announce that the four IAM Locals representing UTC workers in Connecticut have a great number of members who generously give more than \$1000 a year to the United Way Campaign. Over eighty Machinists Union members from IAM Locals 700, 743, 1746 and 1746-A contribute a total of close to \$100,000 annually to United Way, and the many agencies that help our members and communities. IAM District 26, the Independent Fire/Security Officers Association (IFSOA) and the International Assn of Firefighters (IAFF) also contribute a minimum of \$1000 to the United Way Campaign. Thank you to all who participate in this worthy cause.

**September 6-11, 2004 :
 Union Label Week**

Support Good Jobs-Buy Union During Union Label Week we make a special effort to create a better understanding of how unions and union members contribute to America's prosperity and security:

- Building roads, offices, homes and schools and the things that go into them
- Administering and operating transportation systems
- Delivering vital services - from education to communications, from public safety to health services, from entertainment to public administration

Unions jobs add value to America's communities.

September 2004

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

3 Months Until New Contract

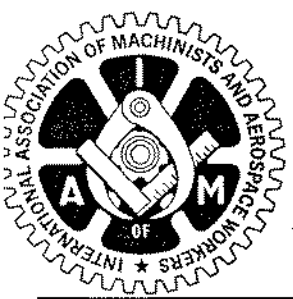


OFFICERS OF IAM LOCAL LODGE 1746

- President**— Mike Stone; **Vice President** — Frank Lamagna;
Recording Secretary— Bill Coney; **Secretary Treasurer** — Nancy Flagg;
Sentinel— Dave Batchelder; **Trustees**— Warren Occhialini; Ron Ouellette; John Tronier
Shop Committee— Jeff Baglin; John Cloutier; Ted Durkin; Andy Santini
Shop Committee (IFC/ONSI) — Carl Hervieux; Mark Perrone

NEWSLETTER COMMITTEE

- Dave Batchelder-*Editor*, Linnea Demanche-*Co-Editor*, Mike Stone, John Taylor,
 Joe Durette, George Rogers, Jerry Martin & Mary Ellen Wettemann.



2004 CONTRACT! Worth Fighting For

DISTRICT LODGE 26 - LOCAL LODGES 700/1746/1746-A

LODGE 1746 PROPOSAL RATIFICATION MEETING

**Sunday, September 12
1:00 PM at the
MACHINISTS UNION HALL
357 Main Street, East Hartford, CT**

In the Machinists Union, the membership always has the final word.

Your District-wide elected negotiating committee along with District 26 and International Staff Representatives have been meeting to formulate contract proposals for submission to the Company on October 21.

These proposals are the result of your input on the bargaining surveys, concerns that you have expressed in the shop and issues that have come up during the life of this agreement.

At this meeting, your Local Lodge Committee will present to you the results of that District-wide effort. You will receive a full explanation of each proposed change, have a chance to ask questions and then vote to change, add to or eliminate items.

Is this meeting important? Absolutely.

This is your first chance to hear in detail what your committee is recommending.

It is your opportunity to take part in the final say on what our contract demands will be.

It is also a major occasion to let management know that you demand a good contract. Packed meetings tell Pratt executives and management (who will be "watching") that their employees are serious about these negotiations

The contract determines your wages, benefits, working conditions - and Job Security protections - for the next several years. Take the time to be there.

Something To Think About

A message from IAM Local 1746 President Mike Stone

Where's the break even point? What happens if Pratt & Whitney tries to eliminate payment to retiree medical insurance, like UTC Fuel Cells and Hamilton Sundstrand did during their contract negotiations? A 30-year employee with a spouse would stand to lose \$7,500 per year, or \$625.00 per month. Pension contributions would have to increase by \$21 dollars per month, per year of service, for that same 30-year employee not to go backwards financially. A pension contribution of \$65 dollars a month, up from the current \$44 dollars per month would be needed just to *break even*.

If IAM members at Pratt & Whitney plan to move forward on the issue of pensions, this needs to be considered by the membership as we prepare for negotiations. Think about it brothers and sisters, if they attack health care and retiree insurance, the ground lost will never be made up. This is why our preparation and involvement is so important. There is a lot at stake this year.

Your elected Negotiating Committee has proposals to *improve* pensions, job security, health care and other issues indicated as priorities on membership surveys. **Sunday September 12, 2004 at 1:00PM**, the members will have an opportunity to hear the proposals that the Negotiating Committee has prepared. This will be your opportunity to bring any of your thoughts forward as proposals for membership approval.

The changes recommended by the members at each Local Lodge go back to the full Negotiating Committee for final approval before presentation to the company. The process is democratic and all members **employed at the East Hartford P&W plant** may participate.

Members who are working on the alternative work schedule will be able to leave work to attend the meeting on their own time, making up the time if they wish by working later that day. The company parking lot on Main Street (in front of IAE by the powerhouse) will be open for additional parking. We also have contacted the State, to have a translator present for the hearing impaired.

Continue to prepare for the December 5 deadline while the leadership and negotiating committee do everything possible to negotiate a contract we can all be proud of.