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Negotiations Resume

Formal negotiations between the striking and locked out workers and Southern California's three major grocery chains, under the guidance of a federal mediator, resumed last Wednesday, February 11. These are the first formal talks in seven weeks.

Time for Safeway's Burd to Fly Away?

"But as the strike that began on Oct. 11 drags on, it's beginning to look as if the industry's aggressive stance could backfire: It has prompted calls for the ouster of Safeway CEO Steven A. Burd, who has led the campaign on behalf of the three outfits.

The dispute already has inflicted heavy net-income losses on the grocers, including more than \$100 million at Safeway, analysts say. Equally damaging, Burd's bold attack has enraged employees, prompting Wall Street concerns that morale woes could persist long past the dispute's resolution. "There are people on the Street who want a change" in management, says J.P. Morgan Securities analyst Stephen C. Chick, who on Feb. 2 downgraded Safeway shares to a sell."--*Business Week Online*, Feb. 12

Pension Fund Execs Seek Meeting With Safeway

Financial executives from nine states whose public pension funds include investments in Safeway have sent a letter to the chairwoman of the chain's nominating and corporate governance committee to request a meeting to discuss the independence of the chain's board. The letter was written by Denise L. Nappier, Connecticut state treasurer, and signed by comparable officials in California, Illinois, Iowa, Maine, Massachusetts, New York, Oregon and Washington state, plus representatives of two retirement funds in California and financial executives in Los Angeles and New York City who together represent more than \$492 million in retirement savings, including more than \$127 million invested in Safeway. "Such a meeting would be in the best interest of Safeway shareholders," the letter says, adding that Safeway's announcement that all directors will stand for election annually beginning in 2005 "does not address our concerns regarding the independence of Safeway's board."

Safeway Stock Downgraded Again

FTN Midwest Research on Monday, February 9, cut its rating on Safeway stock to "sell" from "neutral" saying the company could face continued sales and earnings pressure due to unresolved labor issues and increasing competition. A FTN Midwest Research analyst said that Safeway was "sinking lower in murky waters" and the California dispute could have now cost the chain roughly \$500 million in lost sales. This comes just days after JP Morgan, a prestigious Wall Street Investment Bank, downgraded Safeway stock citing the difficulty the company will have in winning customers back. This is the fifth major downgrade from a leading investment firm of Safeway stock since the strike began in October.

Companies May Force Customers Away for Good

As people continue to bypass pickets at Vons, Pavilions, Ralphs and Albertsons and go

elsewhere for their groceries, they are finding they prefer the switch. Typically, a store loses 5% of its customers permanently after a strike, according to New York retail analyst Burt Flickinger III. But because the labor dispute at Southern and Central California's supermarkets has dragged on for months, independent markets have had more time to try to exploit people's changing shopping patterns and many consumers have found they prefer other markets, according to Flickinger.

For example, commerce-based Super A Foods, which owns 13 markets in the Southland that cater largely to Latinos, has added many new items at its stores to cater to the influx of new shoppers. According the chairman of Super A Foods, since the strike began the company has gained an average of 30,000 new customers a week at six locations close to picketed supermarkets.

Congressional Panel Exams the Social and Economic Impact of the Strike/Lock Out

A Congressional Forum called by California Congressional Representative Linda Sanchez, including George Miller, Lucille Roybal-Allard, and Grace Napolitano, examined the impact of the grocery strike on Southern California workers, communities and businesses in a session held on the campus of Loyola Marymount University on Friday, February 13. The panel heard from UFCW Local 1428 President Connie Leyva, striking member Cathi Schaffer, a grocery industry representative and health benefits expert Dr. Richard Kronick. The forum laid to rest the lie that the supermarkets had been propagating since day one of the strike that this is about \$5 and \$15 co-pays. Both Leyva and Kronick offered compelling testimony demonstrating that the supermarket proposal would end affordable health care for grocery workers. Schaffer described the impact the lack of health care benefits would have on grocery families as well as communities where they live.

Washington, DC Area Workers Mobilize for the Fight

UFCW Local 400, representing 18,000 Washington area Giant Food and Safeway Inc. employees believes "there is a serious possibility" that upcoming contract negotiations will break down and possibly result in a strike against one or both supermarket chains if the companies take "extreme" positions on employee health care and pension benefits. The contract expires March 27 and informal negotiations have already begun. Local 400 represents 12,400 Giant and 6,500 Safeway workers in the Washington region. It will negotiate alongside Local 27, which represents about 12,000 grocery workers in northern Maryland.

Arizona Turns Up The Heat On Albertsons

Southern California striking workers extended picket lines last week to four Arizona Albertsons grocery stores to let consumers know that the workers' fight for affordable health care is national issue. Picket lines have been extended to cities where contracts will expire soon, including, Northern California, Baltimore and Washington, D.C., and in the future may include Seattle, Philadelphia and Portland.

Workers at the 135 Albertsons stores in Arizona are not represented by the UFCW. UFCW Local 99 and Safeway and Fry's Food Stores (owned by Kroger) have been negotiating a contract since the beginning of November. It would cover about 14,000 employees at those stores. Key issues are similar those faced by Southern California members, including health care and a two-tiered system that would offer new hires lower benefits and pay. In October, the contract was indefinitely extended to continue talks without the immediate threat of a strike.

Seattle Unions Out in Force

UFCW Region 7, the AFL-CIO and King County Labor Council have been working with faith groups, other labor unions and community organizations to bring a united front against the companies in the fight for affordable health care.

Over the past month, the adopt-a-store program has generated hundreds of activists walking picketing lines at over 10 stores a week despite rain and cold weather. Last week, the groups staged a candlelight vigil to draw attention to the need for all workers to have health care benefits at work. Tomorrow, there will be a rally at a Safeway in Olympia to urge Washington legislators to sign a petition of support for workers fighting for affordable health care and to warn the community that the companies will try the same tactics in their upcoming Washington negotiations.

"Don't Kiss Our Healthcare Goodbye!"

Over 60 metro Washington DC activists handed out thousands of chocolate kisses and Safeway Boycott Pledge Cards to Metro Rail commuters on their way home Thursday, February 12. Meanwhile, nearly 200 activists are forming Community Action Teams to organize local actions at neighborhood Safeways, including visits with store managers, leafleting and letter-writing campaigns.

Message Brought to Maryland

Fighting biting winds and icy sidewalks, supporters with the AFL-CIO staged its "Don't Shop at Safeway" campaign in the Baltimore area over the February 7th weekend. As the picketers sent up a chorus of shouts to motorists, the drivers honked their horns and quite a few turned their cars around and left the parking lot.

This past weekend, Safeway responded to the activities by community, religious and labor activists in Baltimore by closing down the store for three hours. Management also decided to throw one of their customers in jail because he dared to pay in U. S. tender, it just happened to be pennies. Ernie Grecco, President of the Baltimore CLC was given a hero's welcome at a rally the next day after spending the night in jail, "We want Safeway to know that if workers are forced to pay outrageous prices for healthcare benefits, workers may not even have pennies to buy their groceries."

Supporters Target Albertsons Acme Stores in Philly

As part of a nationwide effort to keep Albertson's from effectively destroying meaningful health care benefits for workers in its Southern California stores, a coalition of Philadelphia union and community supporters rallied on Thursday, February 12, at Acme Market to urge shoppers "Don't Shop at Acme." Local supporters are targeting local Albertsons-owned stores -- Acme -- to send the parent company a clear message: We will not shop at your stores until you end your demands to kill health benefits for workers.

Portland Community Comes Together

Nearly 140 community activists, students, and concerned citizens, marched on the Lloyd Center Safeway in Portland, Oregon, Saturday, Jan. 31. The activists created a boycott buzz among customers who were greeted near the entrances to the store. In a show of solidarity, many would-be shoppers destroyed their Safeway Club Cards and pledged to encourage family, friends, and neighbors not to shop Safeway until the company offers the workers a fair contract. Within the first ten minutes of leafleting outside, at least three drivers entering the parking lot turned around. One said she had no problem with driving the extra few minutes to take her business elsewhere until Safeway offered workers a fair and decent contract. "I don't shop at

Wal-Mart because of how they treat their workers," she noted. "Why should I shop at a store trying to treat its workers like Wal-Mart does?"

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