



July 10, 2017

In preparation for the upcoming 2018 UPS Negotiations, The Nor Cal Committee is prepared to meet and negotiate a fair agreement that benefits our members and ensures continued success for UPS.

The Nor Cal Committee acknowledges there are important issues that need to be addressed such as pension, automation and competition. Knowing these challenges, we are committed to developing a plan and finding a solution.

Pension – Those of us who are in the Western Conference of Teamsters Pension Trust Fund are fortunate to be in a great pension plan; others are not so lucky. We have an obligation to find a fair and reasonable solution for all plans, including the Central States Pension Plan.

Our members work hard for and count on their pensions being there when they retire; there is no reason for their hard work to go unrewarded. Pointing fingers or trying to pin the blame on anyone is counterproductive; instead both sides need to look at how pension plans find themselves in distress and what we can do collectively to fix it.

In the Central States for instance, compounding the plans problems have been the government's lack of leadership and the deregulation of the trucking industry. When freight companies went out of business because they could not compete, it resulted in the loss of jobs and the elimination of new contributions going into the pension plan. A destructive domino effect forced people to retire early; in turn this resulted in a loss of revenue into the pension plan and then more people retiring. No plan can survive under those kinds of circumstances.

The disturbing fact is the government has overseen the Central States Pension Plans Investments and the status of the plan for the past thirty (30) years and said nothing to the members when the government knew it was going broke. We believe the government has a responsibility to work towards a solution that will fix the plan, the political reality is, "what is that plan?"

The facts are, if the Central States Pension Plan fails, the Pension Guarantee Act will probably be able to pay \$1200.00 per month for six (6) months before it too is broke. The companies and unions that remain in the plan will have an unfunded liability obligation, they either pay (which most cannot) or file

bankruptcy. The result is retirees and actives with no pension, if the companies or unions go out of business you have no jobs. This cannot happen, we have to find a solution or it will be devastating to the Teamsters Union. If there is no government assistance then it will be up to us to find a solution. We have to put the facts on the table and be transparent with our members. No one wants a reduction of pension benefits, actives or retirees, but if it saves the plan, it's the right thing to do. If there are other options, then someone needs to step to the plate!