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Utility Reporter

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Unity Is Strength

PG&E talks set to resume

Local 1245 and Pacific Gas and Electric were scheduled to resume contract negotiations on March 10, more than six weeks after talks broke down.

"Our bargaining committee has a number of proposals to address concerns our members raised about the previous Table Agreement," said Business Manager Perry Zimmerman, referring to a company offer that was overwhelmingly rejected by union members last December.

The union's committee had planned to put its new proposals on the table on Jan. 23. But the union walked out of negotiations when the company proposed a re-vote on the original Table Agreement, claiming that union members hadn't understood it.

Union buttons and fliers proclaiming "Understand THIS" have been prominent at PG&E yards and service centers since the talks broke down.

"The union will come to the table and make a good faith effort to resolve our differences with the company. We think it's in everyone's best interest to negotiate an agreement that recognizes the extraordinary contribution our members have made to this company," said Zimmerman.

Updates on bargaining developments can be found on-line at:

wwwhr/ibew (PG&E Intranet)
www.ibew1245.com (Internet)

Union organizes Roseville tree trimmers

Local 1245 has bargained a first contract for Asplundh Tree employees performing line clearance tree trimming for the City of Roseville.

The union overcame initial resistance by Asplundh management to win recognition through a card check process. The new members ratified the first agreement by a unanimous vote conducted on Feb. 6 by Senior Business Rep. Ray Thomas and Business Rep. Jack Osburn.

"These employees have gained two or more dollars an hour compared to the pay they were receiving working for the previous contractor

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Ray Thomas

NEW BARGAINING UNIT
Local 1245's newest bargaining unit: Asplundh line clearance tree trimmers working at the City of Roseville. Business Rep. Jack Osburn is on the right.

Sierra Pacific Power continues to struggle

Local 1245 members at Sierra Pacific Power remain in a state of high anxiety as Sierra's parent company struggles to stay afloat.

Sierra Pacific Resources stock fell to $3.05 a share on Feb. 20 and hovered around the $3 mark for the remainder of February.

"Our members are worried," said Local 1245 Business Rep. Randy Osborn. "The company's financial health is a constant issue."

Besides concern over their employment, many members have a substantial amount of Sierra Pacific stock in their 401K plans. Retirees also hold a lot of company stock, according to Osborn.

Sierra Pacific's current economic troubles are only the latest set of worries to beset the approximately 750 employees in Local 1245's bargaining unit. They have gone through failed attempts to merge with Washington Water & Power and Portland General Electric, a completed merger with Nevada Power, state-ordered divestiture of generation, repeal of state-ordered divestiture of generation, and then the energy crisis of 2000-2001, leading to the financial difficulties of 2003.

"It's got to be tough on employees," said Osborn.

The union recently retained lobbyists to monitor new developments in the Nevada Legislature, especially any bills that might make it easier for customers to drop Sierra Pacific Power as their energy supplier. Current law allows customers using one megawatt or more to leave the Sierra system. There could be a move in the legislature to make it possible for customers using less than one megawatt to leave Sierra, or to allow smaller customers to aggregate their demand in order to reach the one megawatt threshold.

Another issue of concern to the union is the composition of the state's Public Utilities Commission. A bill in the last legislative session increased the number of PUC commissioners from three to five. A proposal now under consideration would restore the three-person commission, but would require the chairman to be a

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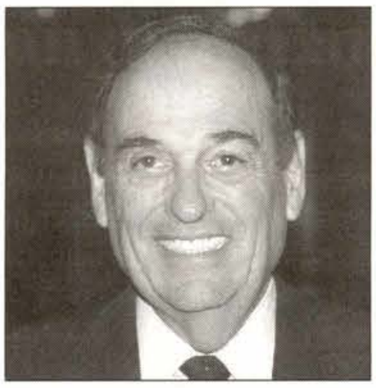
Ready for the next round



By Perry Zimmerman, Business Manager

I am writing on Thursday, March 6. Much may change between the time I write this and the time you read it.

By the time you read this column, the United States may have invaded Iraq. If that happens, I believe our issues, our priorities, and our world will change for years in ways that we cannot imagine today.

By the time you read this column, the provocations by North Korea may have escalated beyond the already frightening levels that exist as I write. Again, the consequences cannot be predicted.

Back at the ranch, sometime in the next few days, PG&E will announce its performance incentive payouts for non-bargaining unit employees. The PG&E National Energy Group has already announced performance incentive payouts starting at 14%. If I had to guess, I would guess that the utility will announce generous PIP numbers. PG&E is essentially financially healthy, and I would not be surprised by PIP payments that reflect this fact. This will, I believe, strengthen our position in bargaining with PG&E this month.

On March 8 and March 15, members of my staff will meet with PG&E shop stewards throughout the system. For the first time in years, our staff and shop stewards now have the attention and support of a large majority of the dues paying members. I don't know what will come out of those steward conferences, but I know that something will, and I would guess that it will be good.

On Monday, March 10, there is a settlement conference in PG&E's bankruptcy case, ordered by Judge Montali. As soon as PG&E announced on February 24 that it may have to sell up to $700 million in common stock to make its Plan of Reorganization work, I sensed that the pressure would mount on PG&E and the California Public Utilities Commission to settle the case. I don't know what will happen on March 10—maybe something momentous, maybe nothing at all. By the time you read this column, you may already know.

On March 10 we return to the bargaining table with PG&E for the first time in two months. Swift and widespread pressure by our members, fueled by outrage at the company's suggestion that our members simply had not understood the October table agreement, has brought PG&E back to the table. In the months since the October table agreement, Sierra Pacific Power and Southern California Edison have concluded labor agreements, and those agreements help our argument with PG&E, as do the recent equity increases negotiated for climbing classifications at SMUD. I don't know what will happen in the coming negotiations with PG&E. By the time you read this, a lot more may already be known.

Sometime in the near future, PG&E plans to move Family Tree Trimming crews into the Point Arena and Fort Bragg areas, replacing Davey Tree union crews. Family Tree is not only non-union, it is anti-union. By the time you read this column it may already be clear what kind of a reception Family Tree receives from our PG&E members.

The point is simple—there is much more in play than usual, and events are unfolding rapidly. I think all of us are ready for the next round to begin.

Of all that is in play, there is nothing more important than the active interest and participation of our members. More than anything else, unions give their members the ability to exert some control over their working life. This was manifested in the many actions taken by our PG&E members in late January and early February to protest the company's position on bargaining, by the participation of more than twenty members in our Future is Now training at the local union headquarters in late February, and by the hundreds of shop stewards who will be attending training in the next two weeks. Nothing is more important right now than the continued support of our members.

Let's see what the future brings.

Sierra Pacific financial woes

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consumer advocate. Unfortunately, consumer advocates all too often have failed to grasp the connection between reliable service and adequate funding for electric utilities.

The current downturn in Sierra Pacific's stock began on Feb. 12 following an announcement that the company was issuing $300 million in debt that can be converted into common stock. The drop in share prices could reflect investor concerns that the convertibility of the new debt will eventually dilute the value of existing shares.

The convertible notes could be exchanged for common stock in the company at $4.56 a share within six months regardless of the market price of the stock at that time, according to a report in the Las Vegas Review-Journal.

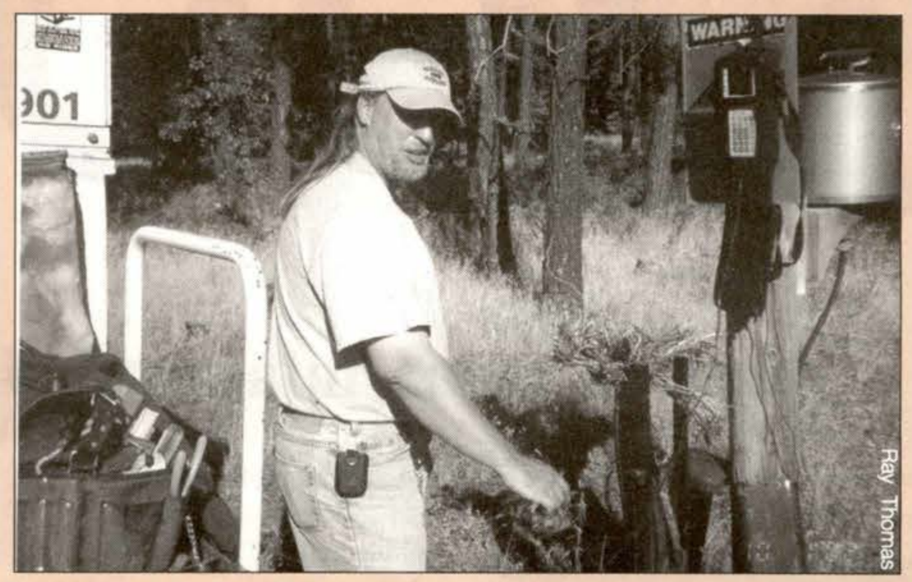
Staves Off Crisis

The issuing of debt "staves off a potential liquidity crisis given Sierra Pacific's inability to otherwise meet its debt-service obligation," according to a Standard & Poor's analysis.

A week prior to issuing the debt, Sierra Pacific announced it would issue 13.66 million shares of common stock.

The company announced on Feb. 10 that it had suffered a fourth-quarter loss of $39.5 million, or 39 cents per share. For the year Sierra Pacific lost $307.5 million, or $3.01 a share.

The losses stemmed in part from unfavorable decisions in rate cases for Sierra Pacific Power and Nevada Power. Regulators denied $434 million in Nevada Power's requested increases and $57 million in Sierra Pacific Power's requested increases.



FRONTIER MAINTENANCE SPLICER
Frontier Communications Maintenance Splicer Mark Wilson, a 10-year member of Local 1245, is shown here working last fall on communications lines at a repeater in Burney, Ca.

Dave Crawford: New Outside Rep

Local 1245 has hired Dave Crawford as a Business Representative for Outside Construction.

Crawford, who replaces Vern Brown, will represent Outside Construction members in the union's northern jurisdiction.

Crawford has been an IBEW member for 13 years. Most recently he has worked as a journeyman lineman for International Line Builders, as well as for PG&E General Construction in the Sacramento area.

We welcome Brother Crawford to the union staff.

Unit Updates

Unit 3316, Fallon, Nev, is a new unit that meets every other month at Fallon Country Club, 2655 Country Club Dr., at 5:30 pm. Meeting day is Tuesday. Dates for upcoming meetings are: April 8 and June 10.

Randy Osborn,
Business Rep.

Local 1245 organizes tree trimmers at City of Roseville

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on a non-union basis," said Thomas. "They've also gained a very affordable medical plan, an employer-paid pension, seniority provisions and a grievance procedure with binding arbitration."

The road to union recognition began in 2002, when the tree trimmers approached Local 1245 seeking representation. At the time, the tree trimmers were employed by Davey Tree, which was performing the work under contract with the City of Roseville. Local 1245 Business Rep. Junior Ornelas began collecting union authorization cards from the employees.

But in late 2002, Asplundh Tree won the bid to perform the work for Roseville, replacing Davey Tree. Ornelas rounded up a new set of authorization cards specifying the new employer.

Asplundh did not immediately embrace the idea of union representation for its employees working in Roseville. Following a tense labor-management meeting in Fresno dealing with issues on Asplundh's PG&E properties, the company's regional manner suggested to Thomas that the company wouldn't welcome the union's presence in Roseville.

The City of Roseville, however, favored a fair deal for tree trimmers working on its properties, which strengthened the union's hand.

Osburn helped recruit David Martinez, an Asplundh employee working on City of Roseville properties, to participate in bargaining taking place in December between Local 1245 and Asplundh. The bargaining covered tree trimming work performed by Asplundh for Modesto Irrigation District. The union had obtained permission from the regional manager to have Martinez participate, but when negotiations began, the new Asplundh Labor Relations Manager from company headquarters in Pennsylvania asked Martinez to leave the room.

"We agreed to it," said Thomas, "but the union committee made it very clear at that time that Asplundh employees at Roseville were going to become unionized tree trimmers."

Card check recognition was finally achieved for the Asplundh employees at the City of Roseville on Feb. 5. Employees quickly ratified the first agreement the following day.

"These five individuals are a great group of employees," said Thomas. "They are highly respected for their talent by both the City of Roseville and Asplundh."

Employees covered by the new agreement are Aaron Holt, David Martinez, Andrew Atkinson, Miguel Villalovos and Artoro Aguileri.

Debacle

IBEW warned that electric deregulation was doomed from the beginning

In May of 1994, IBEW Local 1245 and its partners in the Coalition of of California Utility Employees (CUE), warned the California Public Utilities Commission that electric deregulation was an ill-advised experiment that courted disaster. Many Local 1245 members, as shown on these pages, sounded similar warnings at public hearings in the fall of 1994. Our warnings were ignored.

In January of 2003 the CPUC finally closed its docket on deregulation, an experiment that has cost California consumers untold billions and put California utility workers through nine years of hell. Closing the docket was a minor procedural act – not an actual end to deregulation in California. In fact, electric deregulation could spring back to life under plans now being fashioned by the Federal Energy Regulatory Commission.

But closing the docket gave the Coalition of California Utility Employees a chance to explain once again why deregulation was doomed to fail from the very beginning. Our comments, filed in October 2002, were read into the CPUC record in January 2003 by Commissioner Carl Wood. They are reprinted here as a cautionary tale.

"I want to know how you're *going to provide training to* people who will provide service in the future–because the experienced people are leaving."

Barbara Saunders, Local 1245
CPUC hearing, San Jose
September 1994

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMENTS OF THE COALITION OF CALIFORNIA UTILITY EMPLOYEES ON CLOSING THE ELECTRIC RESTRUCTURING DOCKET

Pursuant to the ALJ's October 2, 2002 Ruling, the Coalition of California Utility Employees offers these comments on the ALJ's question concerning "the need to continue with these proceedings." Although the ALJ presents the question in a dry procedural ruling, the question is profound, as should be the answer. The Commission should close this deregulation proceeding, not just because there is no continuing need for it, but also because it was a disaster for ratepayers, utilities and their employees.

I. DEREGULATION WAS AN ECONOMIC DISASTER

A. Ratepayers Lost Billions of Dollars

This Rulemaking and Investigation resulted in the most expensive public policy mistake in the history of California. The Commission's almost religious belief in market forces rather than regulation created an epic disaster for ratepayers. In each of 2000 and 2001, Californians spent $20 billion more for electricity than in 1999. The Commission abandoned its obligation to set rates in favor of "the magic of the market," as Commissioner Fessler was fond of saying. If there was any magic at all, it was black magic. Regulation by this Commission ***never*** cast such a horrible spell on Californians as the reliance on market forces.

When California began the deregulation fiasco, the exaggerated claim by proponents in 1994 was that California's rates were 50 percent above the national aver-

The Commission did not simply fail to understand basic economic theory ... it failed to give the impacts of losing thousands of utility employees even a passing thought.

C.U.E., October 2002

age. Never mind that California's ***bills*** were ***below*** the national average. Even if rates were the only factor that mattered (and higher rates to support programs for low income customers and renewable energy were ignored), it would have taken several ***decades*** of higher regulated rates to equal the costs imposed on ratepayers by just two years of market-based rates.

B. Utilities Lost Billions of Dollars and their Financial Standing

The impacts on the investor owned utilities from the deregulation experiment were also a disaster. Both PG&E and Edison incurred billions of dollars of debt, and then suffered a worse fate. They lost their standing in the financial community. Not only did this destroy enormous shareholder value, it crippled the ability of the Commission to implement programs that benefit California. The compact between investors and the Commission was broken. Decades of good credit and good faith vanished, and it will take many years to repair the damage.

C. Thousands of Utility Jobs were Eliminated

Utility employees are part of a culture dedicated to serving customers. They believe they should do whatever it takes to keep the lights on. They routinely demonstrate their commitment after storms and earthquakes. Typically, they spend their career in the business, gaining experience and training new employees. Deregulation stripped the utilities and their customers of a valuable asset - thousands of the most experienced employees.

The Commission that began the deregulation fiasco was oblivious to the damage to the utility workforce it would inflict. The Blue Book did not even contain the word "employee." The Commission did not simply fail to understand basic economic theory, as with the premise of deregulation, it failed to give the impacts of losing thousands of utility employees even a passing thought.[1]

II. DEREGULATION WAS A RELIABILITY DISASTER

In addition to market forces siphoning tens of billions of dollars from California, blind faith in the market caused a previously unheard of degradation in reliability. During 2001, California experienced several days of actual blackouts and many days of "voluntary" interruptions. Many businesses lost millions of dollars of production. Not for at least 40 years had California experienced blackouts from inadequate generation supply. Such events were previously considered intolerable. Regulated vertically integrated utilities never abused customers the way market based generators did in 2001.

Not only was the system reliability under market-based rates intolerable, the actual reliability of individual plants operating in a market-based system were dramatically, indeed spectacularly, worse than under cost-based regulation. The outage rates of market-based plants averaged ***15.5% higher*** in 2001 than in 1999. Overall, outages increased by ***402%***.

The employees operating these plants have identified one reason for this extraordinary increase in forced outages. When a system of generating plants is operated by a vertically integrated utility, it will operate most generating units as base load units, and use only a few units to follow load. Units are not often ramped up or down. This method of operation minimizes wear and tear on the units.

However, when ownership is dispersed among many owners who are responding to hourly, or even shorter duration, changes in multiple product markets, units are repeatedly ramped up and down. Many experienced plant operators have observed the damaging effects of the changed operation on outage rates. Ramping also degrades thermal efficiency, causing increased air pollution, and increasing overall system costs.

There are other reasons that may contribute to the dramatically higher forced outage rates. At the plants formerly owned by Pacific Gas & Electric and Southern California Edison that went from regulated to market based rates, workforce levels were reduced by an average of 35%. Even if the physical operation of the plants had not changed dramatically, massive reductions in maintenance staff would surely increase the outage rate.

Of course, claims have been made that the increased outage rates experienced in California were not based on genuine maintenance problems, but were sham outages designed to increase market prices. If true, the conclusion does not change: Plants operating in a market system have much higher outage rates. Competition by generators ***reduces*** reliability because it increases wear and tear on power plants and reduces maintenance staffing.

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The Commission's almost religious belief in market forces rather than regulation created an epic disaster for ratepayers. In each of 2000 and 2001, Californians spent $20 billion more for electricity than in 1999. The Commission abandoned its obligation to set rates in favor of "the magic of the market," as Commissioner Fessler was fond of saying. If there was any magic at all, it was black magic.

C.U.E., October 2002

"The residential ratepayers are not going to save a dime."

Anthony Araya, Local 1245
CPUC hearing, Martinez
September 1994

"You don't go to the unemployment office to hire someone to take care of a ruptured gas main or arcing wires in the street."

Jim Findley, Local 1245
CPUC hearing, Martinez September 1994

Utility employees are part of a culture dedicated to serving customers. They believe they should do whatever it takes to keep the lights on. They routinely demonstrate their commitment after storms and earthquakes. Typically, they spend their career in the business, gaining experience and training new employees. Deregulation stripped the utilities and their customers of a valuable asset – thousands of the most experienced employees.

C.U.E., October 2002

From Page 5

III. THE DEREGULATION DISASTER WAS PREDICTABLE AND PREDICTED

No one should have been surprised that when supply was tight, market prices for electricity skyrocketed and reliability plummeted. Nor should anyone be surprised that we have already seen both a boom and a bust in power plant construction. What happened was not only predictable, it was predicted. No amount of tinkering with market design can fix the problem. It is inherent in ***any*** market system for electric generation. As we wrote on June 8, 1994, in CUE's first comments on the Blue Book:

> While the Commission's proposal relies on the benefits of competition and free markets, it does not consider other, universally accepted, features of competitive markets. One of those features, which is particularly important in a market characterized by long lead times before suppliers can enter, is the ***business cycle***. The Commission should carefully consider the predictable effects of introducing this basic feature of competitive markets to the retail electricity market.
>
> In neo-classical economic theory, free markets are sufficient to balance supply and demand (or, in electric industry terminology, resources and loads). If supply is less than demand, prices rise, causing demand to drop and eliciting new supply until supply and demand are back in equilibrium. If supply exceeds demand, prices drop, demand rises and the most expensive suppliers stop selling, again causing supply and demand to come back into equilibrium.
>
> Neo-classical theory, however, ignores the questions of what causes disequilibrium in the first place, how long it takes to re-attain equilibrium, and what happens to prices during the period of disequilibrium.
>
> The answers to these questions have been well studied for the case of markets which are characterized by long lead times for new supply. The answers are most easily explained by example. In agricultural commodity markets, there are products like avocados which must be planted years before they can be harvested for the first time and which require substantial investment (in tree planting and tending, in the case of avocados) prior to receipt of any revenues. For such markets, there is a long lag time between the commitment to new supply and its realization.
>
> In avocado markets, as in other commodity markets with high capital requirements and long investment lead times, boom and bust cycles are a normal fact of free-market life. When supply exceeds demand, new supply can not be brought on-line immediately (though trees can be planted immediately, and are). So equilibrium must be obtained by demand reduction, which occurs because of skyrocketing prices. Those prices, in turn induce suppliers to plant more trees in hopes of continued high prices. In a few years, when the newly planted trees mature, prices plummet as everyone tries to sell avocados at once.
>
> Electricity supply shares with avocado supply the characteristics of requiring a large investment with a long lead time to provide new supply. This means decisions and capital investments in an unregulated electric generation market would have to be made based on individual investors' expectations of future load/resource balance and prices. Even if some investors correctly anticipate future conditions, there is no reason to expect the sum of all investment decisions to accurately match future conditions. The mismatch between investors' collective expectations and reality is the initial seed for disequilibrium.
>
> Once disequilibrium occurs, there are two possibilities. Either supply would fall short of demand (at then-prevailing prices) or it would exceed demand. In the first case, reliability would suffer until equilibrium is re-established. In addition, prices would rise above the equilibrium level as consumers seek to find short-term resources to protect themselves from the supply shortfall. Because of the long lead time nature of most generating resources, short lead time resources would be few and far between, and hence very expensive. ***Businesses and residential users could face escalating prices and brownouts.***
>
> On the other hand, if supply exceeds demand, some generation would have to be idled (as with perishable commodities, there is no way to store large quantities of electricity for long periods of time). ***Trained, experienced workers, often with unique skills, would be***

lost. Individual generator owners would cut their prices to keep their particular plants from being the ones that are shut down. Because much of the cost of generation is capital costs rather than operating costs, direct access suppliers would be able to cut prices to well below their long-run costs of operation to stay in operation. So the market clearing price for electricity in times of oversupply can fall as low as the short-run variable cost of fuel and O&M, well below the long-run marginal cost which represents an equilibrium price according to classical theory.

Whether disequilibrium occurs in the form of over or under-supply, it would hold the seeds of its reverse. Undersupply and the resulting high prices would tempt new entrants into the market, hoping that high prices would still exist years later when their facilities come on line. By the time they do, the combined effect of all the new entrants and consumers' price responses (e.g., conservation) would cause the undersupply disequilibrium to reverse to an oversupply disequilibrium. Oversupply and the resulting low prices would cause bankruptcy or at least financial losses to suppliers, discouraging new investment and leading to undersupply in the future.

Boom and bust markets are accepted and understood as a natural consequence of free-market economics for avocados. But for electricity supply, which is a much more central part of the industrial infrastructure, commodity market-type pricing would introduce undesirable volatility and uncertainty, and would discourage new investment by businesses which use electricity. Boom and bust cycles would make it difficult to retain the dedicated, highly trained workforce which is necessary to assure reliability, and which the public now enjoys. These cycles would undermine the Commission's goal of encouraging economic growth in California.[2]

Although this describes much of what we experienced in the past three years, and we are proud of the comments we filed, CUE was not prescient. This is standard economic theory. Other economists made similar predictions.[3] The Commission blindly ignored standard economic theory in favor of a naïve and simplistic belief in "competition."

Although poorly designed market rules or the exercise of market power may have exacerbated the impacts of a tight supply, the fundamental problem is inherent in the market itself. If subject to only market forces, electric generation will exhibit boom and bust cycles. So long as it takes several years to build a power plant and electricity cannot be effectively stored in times of surplus, these cycles, and the resulting shortages and high prices, are inevitable. Deregulated generation cannot be any other way.

The very premise of the Commission's deregulation - market forces should control the supply and price of generation - was predicted to fail and it did.

IV. CONCLUSION

The Commission should close this deregulation proceeding, not just because there is no need for it, but also because it was a disaster for ratepayers, utilities and their employees. The Commission should also acknowledge that the policy decisions made in this docket were fundamentally wrong.

Dated: October 16, 2002
Respectfully submitted,

Marc D. Joseph
Adams Broadwell Joseph & Cardozo
Attorneys for the Coalition of California Utility Employees

Footnotes:

[1] CUE succeeded in mitigating the impacts of the Commission's ignorance on employees, with employee transition costs (Public Utilities Code § 375), but the Commission never considered the impacts on customers from forced shrinking of the utility workforce.

[2] Comments Of The Coalition Of California Utility Employees On Competitive Premise, Regulator's Role And Marketplace Implications, June 8, 1994, pp. 16-20 (emphasis added).

[3] Severin Borenstein and James Bushnell, *Electricity Restructuring: Deregulation or Reregulation?*, Regulation, Cato Review of Business and Government, Vol. 23, No. 2, 2000, p.44, 49, http://www.cato.org/pubs/regulation/regv23n2/boren.pdf; ("Even absent market power, inelastic demand and supply will naturally lead to high prices at peak times as demand rises above the production capacity of generators in a market and further price increases bring forward little additional supply or reduction of demand.")

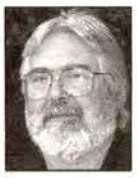
If subject to only market forces, electric generation will exhibit boom and bust cycles. So long as it takes several years to build a power plant and electricity cannot be effectively stored in times of surplus, these cycles, and the resulting shortages and high prices, are inevitable. Deregulated generation cannot be any other way. The very premise of the Commission's deregulation - market forces should control the supply and price of generation - was predicted to fail and it did.

C.U.E., October 2002

"Twenty-two hours after the Loma Prieta earthquake I was restoring power using my own vehicle, even though my own home was six miles from the epicenter and suffered over $75,000 in damage. I felt I had a duty to serve the public in a time of disaster. What the PUC is proposing *is* a disaster."

Tom Hutchinson, Local 1245
CPUC hearing, San Jose
September 1994

IBEW Lo
Union Rep



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No Photo Available

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- Merced Irrigation District

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- Duke Energy – Moss Landing Power Plant and Morro Bay Power Plant

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- Relief Assignments

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- City of Berkeley
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- Turlock Irrigation District
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- PG&E Gas Transmission Northwest

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CAL 1245

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- Truckee Donner PUD

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- Verizon
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- Bella Vista Water District
- City of Gridley
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- PG&E East Bay Division, Diablo Division

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- Relief Assignments

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Making Linemen

Sacramento Municipal Utility District

Story & Photos by Eric Wolfe

Pre-Apprentice Michael Dankert, Pre-Apprentice Chuck Helms and Instructor Aaron Rudi

You might think becoming an apprentice lineman at the Sacramento Municipal Utility District is about acquiring a set of skills that will keep you alive and keep the power on.

And no doubt, that's a big part of it.

But there's more to becoming a lineman than simply gaining the lineman's know-how. If you want to climb poles and test your nerves against live conductors, you best be prepared to acquire the lineman's culture.

It starts from Day One. There's *the ribbing. The teasing.* The names you'd rather not be called.

"We put a little pressure on them and see what they can take. If you can't get 'em through it, they're not going to make it [as a lineman]," says Instructor Mike Bazil.

Last summer, when this interview was conducted, Bazil and the other instructors were finding ways to challenge seven new recruits in the last of four introductory weeks at the training ground. First Aid and CPR come early in the curriculum, a sobering reminder that their chosen career is inherently dangerous.

But the instructors aren't trying to teach fear. They're trying to teach you how to overcome it.

"They have to get over the fear of heights," says Bazil. "The first week they have to climb a 30-foot pole. By the end of the first week they have to climb a 35-foot pole and hang a crossarm at the top."

Waiting for them the second week is a 45-foot pole.

"We're instilling the culture of the lineman, being able to climb poles, overcome the fear of heights," says Tom Mullally, a Heavy Line Crew Foreman who serves as Lead Instructor at the school. "We treat 'em the way these veteran linemen are going to treat 'em."

The apprentices know they haven't signed up for a degree in sensitivity training. If they don't know it, they find out real quick.

"We don't coddle them," says Mullally. "The ribbing, the teasing, when they're trying to do something–a lot of times we'll get vocal and put pressure on them, because there's going to be pressure on the job."

Following their first four weeks with Mullally, Bazil and fellow Instructors Aaron Rudi and Greg James, the trainees go out on the job. For at least the first year, they're working on the ground.

When it's time to start their apprenticeship, they come back to the training ground for 6-9 months of "cold" training. They get to try their hand at tearing down and building up structures. There aren't any live

Instructor Mike Bazil (left) and Pre-Apprentice Jason McEwen

Chris Andrieu, Hot Apprentice

electric lines involved, hence the term cold training.

"Then they go out as a crew to help other crews for a couple of months," says Bazil. Then it's back to the training ground for 2-3 months of "hot" training. If you get this far, you've become a hot apprentice.

"They fall out of the nest and go with different crews," observes Bazil. They've become part of the workforce. Or, as Bazil puts it, "They start earning their pay."

From the start of cold training to turning journeyman lineman is a three-year process. It's no walk in the park.

"If you don't feel the rush, being at the top of the pole, if you don't feel the thrill, it's not worth going through the torture," acknowledges Bazil.

Some drop out. But many rise to the challenge. In fact, some people seem to thrive in this peculiar environment of dizzying heights, deadly electric currents, and exacting physical labor.

We call these people linemen.

In their world you'll find specific values, just as you would in any culture. You'll find people who have a high degree of confidence in their ability to do the job, obstacles be damned. You'll find great personal courage in the face of routine danger. You'll find a commitment to keeping the lights on that far transcends breezy corporate slogans and regulatory standards.

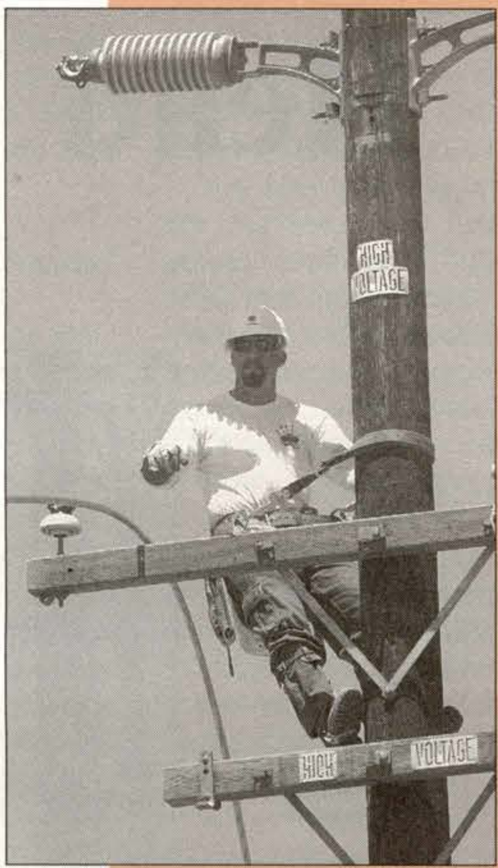
"They put their own pressure on themselves to excel," Bazil says of apprentice linemen. "They've got that pride of knowing that guy ahead of them is doing it and they want to do it, too."

Mullally says the training is a bonding experience for the apprentices. Culture, after all, isn't something you acquire on your own. It's something that happens when people are together.

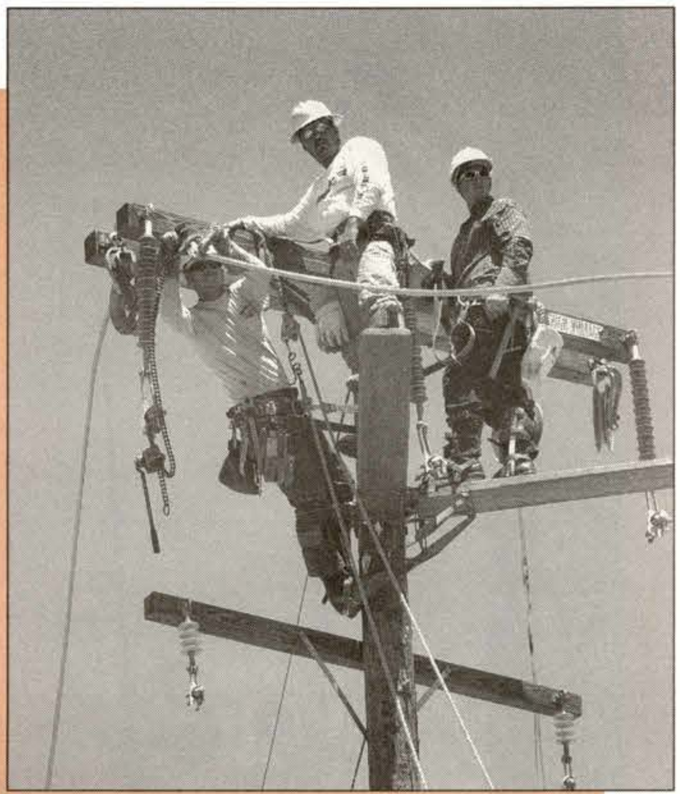
And it happens by design at training facilities like the one operated by SMUD and other utilities around the country.

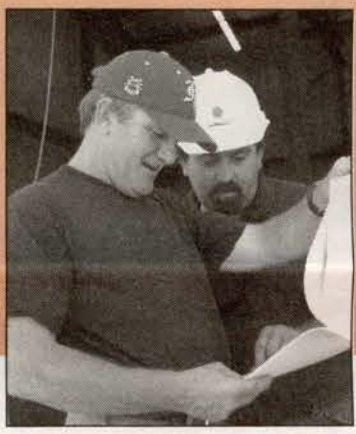
"The product we get from the training is so good we don't want to change it," says Mullally. "They've got a lot of drive, they work hard for you. You get a good employee."

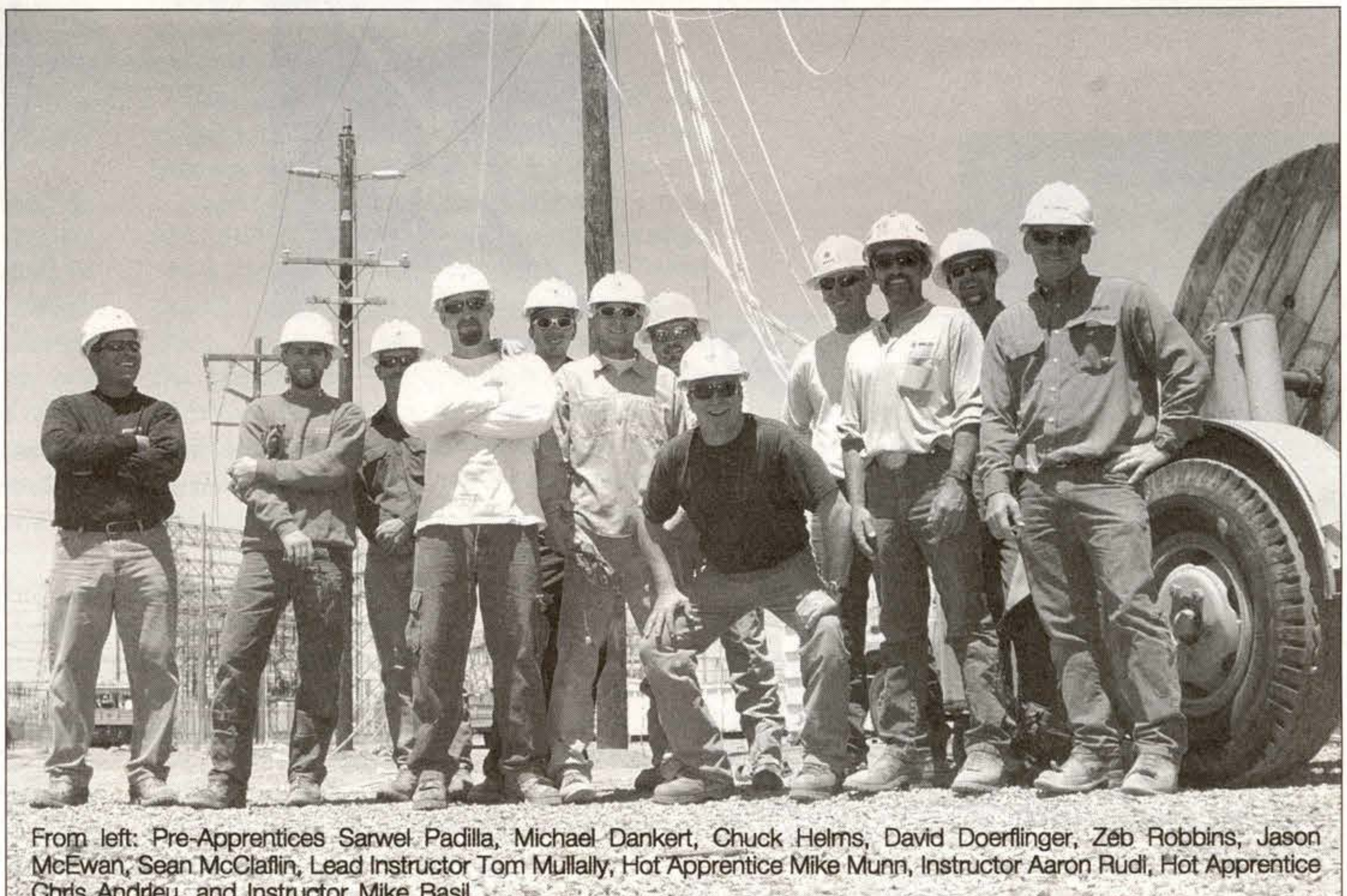
You get a lineman.



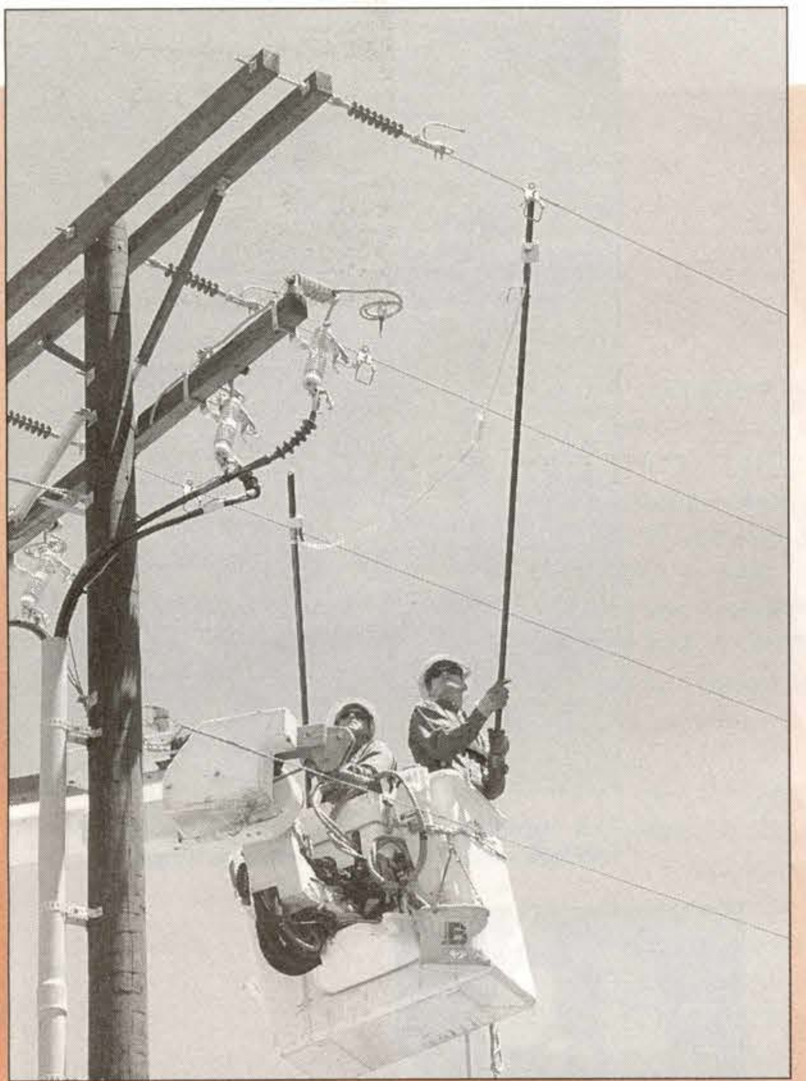
Pre-Apprentice David Doerflinger


Hot Apprentice Mike Munn, Pre-Apprentice Sean McClaflin, and Pre-Apprentice Zeb Robbins


Lead Instructor Tom Mullally (left) and Don Kreuter.


From left: Pre-Apprentices Sarwel Padilla, Michael Dankert, Chuck Helms, David Doerflinger, Zeb Robbins, Jason McEwan, Sean McClaflin, Lead Instructor Tom Mullally, Hot Apprentice Mike Munn, Instructor Aaron Rudl, Hot Apprentice Chris Andrieu, and Instructor Mike Basil.

Head Room



Garrett Smith and Dwayne Gerred

Garrett Smith

Sierra Pacific Power

Stan Coulson

Garrett Smith, Rick Smith, Dwayne Gerred, and Stan Coulson

Electric power lines are such an integral part of the landscape, you might not even notice they are there. Until you suddenly have a need to put something up in the air and discover that the power lines got there first.

Last summer in Reno, Nev., Sierra Pacific Power linemen were called on to move an overhead line to make some head room for cranes that needed to get into position to build a new bridge.

Performing the work were Apprentice Lineman Dwayne Gerred, Linemen Garrett Smith and Stan Coulson, and Foreman Rick Smith.

Photos by Eric Wolfe

Bush budget shorts job safety

Worker health and safety is pushed to the back burner by the federal budget proposed by President Bush for Fiscal Year 2004.

Does this mean that occupational disease and death are under control and no further improvements are needed? Hardly.

Each year more than 6 million American workers are injured or become sick on the job. Fifty thousand American workers die from occupational illness, and nearly 6,000 are killed on the job.

The Bush administration's proposed budget for the Occupational Safety and Health Administration (OSHA) would cut funds for safety and health standards development, federal enforcement, worker safety and health training grants and safety and health statistics. The proposed budget would cut 77 OSHA positions.

For the second year in a row, President Bush has proposed slashing the budget for the National Institute for Occupational Safety and Health (NIOSH). Under the proposal, NIOSH's budget would be cut by $30.5 million from the current funding level of $276.5 million.

The cuts in the NIOSH and worker safety and health research FY 2004 budget are proposed at the same time increases are being proposed for most other health research agencies.

The administration has failed to request any additional funds in the Centers for Disease Control (CDC) budget to fund programs and activities related to bioterrorism and homeland security. No increase in funding is requested to implement the administration's smallpox vaccination program that calls for the vaccination of 500,000 health care workers and 10 million first responders.

Protections extended for disabled

In a victory for millions of disabled Californians, the state Supreme Court ruled Feb. 20 that the state's anti-discrimination laws provide far greater protection than the widely applied federal standard.

By a unanimous vote, the seven justices held that the state broadly defines who is disabled, covering anyone who is merely "limited" in a major life activity–a far looser standard than the federal benchmark. The decision opens the state's courthouse doors to workers suffering from chronic back pain, carpal tunnel syndrome, depression and other diagnosable ailments.

In recent years, the U.S. Supreme Court has drastically limited the scope of the federal Americans with Disabilities Act–to the point where disability rights groups say they have no choice but to turn to the state courts.

The court rejected the argument by a Los Angeles employer that the state expanded the definition of disabled only after a 2001 law went into effect. The court said that legislation clarified that the state law is much broader than the federal ADA–and has been since at least 1992, when the Legislature first amended its definition.

Safety Tailboard

Receive an IBEW cup and cap for submitting a safety question selected for publication in Safety Tailboard. Safety Tailboard is an open forum for discussion and learning about safety issues. Submit your question, along with your name and phone number, to:

Safety Tailboard,
c/o Jim McCauley, IBEW 1245, PO Box 4790, Walnut Creek, CA 94596

Congratulations to Ross Phillips of Turlock Irrigation District, whose safety question was published in the January Utility Reporter.

By the Local 1245 Safety Committee

Falls: major cause of death

While I was roofing my house and moving a sheeet of plywood, a gust of wind sprang up and I found myself sailing off the roof. Fortunately, the sail effect of the plywood actually helped me to a landing in the grass.

This incident demonstrates how easy it is to succumb to a fall. Falls lead all other causes of unintentional occupational death.

Falls account for the greatest number of fatalities in the construction industry. The risks are increased by the very nature of construction. The incomplete structure poses risks of roof openings, trenches, electrical cords, slip and trip hazards, and scaffoldings. Towers, structures, poles and the ever-present ladder contribute to the hazards of every day work.

We are exposed to these hazards daily and need to be aware constantly. Being aware of your surroundings could save you from an injury. Thinking about where you are–and what could potentially happen to you–should go a long way in helping you work safe.

Safety issues should be brought to your supervisor's attention immediately. But don't think the job is done there! Make the site as safe as possible before you leave, for the good of your fellow workers.

Use your harness to protect you from falls whenever possible. Injuries sustained by a fall depend on the height of the fall and the nature of the landing surface. Inspect your harness before use, as you would your rubber gloves. Make sure your harness will protect you from a free fall of no more than six feet. Think about how far the fall is to the surface below and adjust the lanyard accordingly.

Falls can be prevented if you remain aware of the potential hazard.

Ralph Muraca

"Remember to punch out with your one good arm, Stritch."

Current members of the Local 1245 Safety Committee: Stoney Burk, Alameda Power & Telecomm.; Keith Hopp, Pacific Gas & Electric; Ralph Muraca, City of Santa Clara; Al White, Pacific Gas & Electric; David Vipond, Citizens Communications; Rich Lane, Turlock Irrigation District; Art Torres, Sacramento Municipal Utility District; and Assistant Business Manager Jim McCauley.

Bush budget no help to working families

WOMEN WORKERS' HISTORY

Strike over pay cut

Passaic, NJ. was a major center of fine woolens production in the 1920s. Its mills employed more than 16,000 workers, most of them immigrants from southern and eastern Europe. Half were women who earned less than $15 a week, working 10-hour shifts at an inhuman pace.

Many of the women worked nights; in fact, husbands were employed days on the condition that their wives would work nights. (New Jersey had a law banning night work by women, but woolen manufacturers ignored it.) Typically, a woman worker would put her children to bed and be on the job by 8 p.m. She would be home after 6 a.m. in time to prepare breakfast for the family. Then came housework, marketing, cooking dinner and somehow, sleep.

Botany Worsted Mills, the largest employer, imposed a 10% wage cut in October 1925, despite enjoying super-high profits from already low wages. Other manufacturers followed suit.

There was little protest. Unions had no real presence in Passaic. A United Front Committee of Textile Workers, organized by the Trade Union Education League, urged workers to resist the pay cut.

Although a Botany worker had already been fired for United Front activity, a committee of 45 workers went to see Colonel F.H. Johnson, company manager, to demand an end to the pay cut, time-and-a-half for overtime, and no discrimination against union supporters. Johnson fired the entire committee.

Word raced through the mill. Within hours, 4,000 workers were on strike. Within weeks, that number would almost quadruple!

(Continued next month)

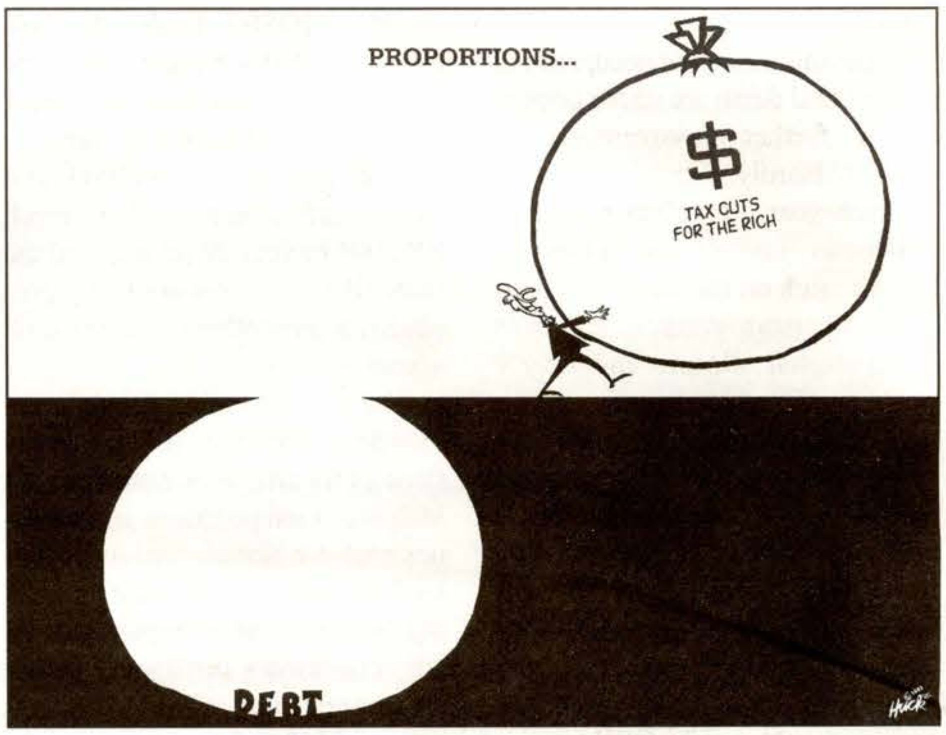
President Bush's budget for the 2004 fiscal year cuts programs that help working families while providing enormous tax cuts for wealthy Americans that will put the government in debt for years to come.

Bush's proposed cuts include:

- Eliminating guaranteed coverage from Medicaid.
- Cuts to vocational education that helps workers find new jobs.
- Cutting kids from school lunch programs.
- Making it harder for poor families to get the earned-income tax credit.
- Cuts to rural development.
- Cuts to family literacy programs.

Do these budget cuts indicate that Bush is trying to exert fiscal responsibility? Consider this:

The Bush budget proposes $1.5 trillion in new tax cuts over the next 10 years, threatening to plunge the country into debt for years to come. Bush's budget projects record-breaking deficits for 2004 and 2005, and deficits every year through at least 2008, the last year for which the administration made projections.



The benefits of Bush's tax giveaways go overwhelmingly to the richest Americans, while the majority of cuts like the ones described above hurt low- and middle-income families and children.

The debt created by the Bush tax giveaways will hit the middle class the hardest. Increased interest rates could raise the cost of buying a home, paying off school loans, and paying credit card bills. Bush is passing the deficits to the next generation.

According to an analysis by the nonprofit group Citizens for Tax Justice, the top 1% of American taxpayers—making $374,000 or more annually with an average income of $1.1 million—would save more than $30,000 a year in taxes under the Bush plan. But typical taxpayers—those with incomes of $29,00 to $46,000 a year—would save only $289. And those making between $16,000 and $29,000 would keep just $99.

The Bush administration has asserted that "92 million taxpayers would receive, on average, a tax cut of $1,038 in 2003." This is misleading because the administration has averaged the big tax cuts for the rich with the tiny tax cuts going to everyone else.

Denying relief to working families and the states, the Bush plan fails to give the economy the immediate boost it badly needs to save and create jobs. At the same time, the tax cut plan threatens to drag down the economy in years to come, costing $676 billion over 10 years, with interest costs adding at least $250 billion for a total price tag of at least $925 billion, according to the Center on Budget and Policy Priorities.

While the rich have the luxury of being able to save their tax breaks, working families generally need to spend them immediately, which stimulates the economy. The Bush plan steers more cash to the people least likely to actually spend it.

The dividend tax cut also is unfair to the majority of stockholders—working Americans who own stock only through retirement plans, including 401(k) retirement plans. When they eventually cash out 401(k)s to have money for their retirements, under the Bush proposal they will still pay taxes on the dividends that accrued in their plans.

The top 1% of American taxpayers—making $374,000 or more annually with an average income of $1.1 million—would save more than $30,000 a year in taxes under the Bush plan. But typical taxpayers—those with incomes of $29,000 to $46,000 a year—would save only $289.

No relief in sight for prescription drug costs

Do seniors have any hope of seeing a meaningful prescription drug program emerge from the current administration in Washington?

It seems unlikely, according to George Kourpias, president of the Alliance for Retired Americans, which represents millions of retired union members.

Many weeks ago, prior to his State of the Union address, President Bush announced a plan to privatize Medicare and force seniors to join managed care programs if they wanted a prescription drug benefit. Understandably, that idea provoked an angry response from seniors who are increasingly pinched by soaring prescription drug costs.

More recently, says Kourpias, a second plan floated by the president still tries to make seniors leave traditional Medicare and the doctors they trust if they want insurance coverage that helps with the costs of the medicines they need.

"Seniors do not want to, nor should they have to, leave Medicare to get affordable prescription drugs," says Kourpias.

Medicare is the nation's largest, most efficient, most successful health insurance system serving the needs of almost 40 million seniors and disabled beneficiaries.

"Seniors don't want to leave Medicare. Seniors don't want to leave the doctors they trust," says Kourpias.

Questions About Bush Plan

Many questions remain about Bush's proposal:

What will it cost? How will it be paid for? Why is the administration not sending details of the plan to the Congress?

Kourpias says the Bush administration is more concerned about protecting the profits of big drug companies than providing seniors with lower drug prices.

"Seniors don't want gaps and gimmicks," says Kourpias. "They want real solutions to a very real problem. Seniors should not have to wait any longer and they should not have to join a private insurance plan and worry about being denied coverage."

An alternative to the Bush plan is the Medicare Rx Drug Benefit and Discount Act being offered by Rep. Charles Rangel of New York and Rep. John Dingell of Michigan.

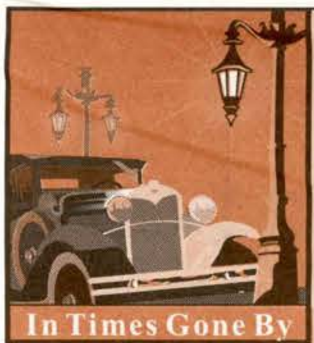
Kourpias says the Alliance for Retired Americans supports the Rangle-Dingell plan "because it meets the needs of seniors and allows them to stay in traditional Medicare and still get the medicines they need at a price they can afford."

Make a Date...

The Local 1245 Retiree Club invites you to join us for companionship, discussion and projects. Current meeting locations are:

East Bay Chapter: meets 2nd Thursday each month, 10 a.m., at Local 1245 headquarters, 3063 Citrus Circle, Walnut Creek, CA.

San Jose Chapter: meets 1st Thursday each month, 10 a.m., at IBEW Local 332, 2125 Canoas Garden, San Jose.



'65

IBEW 1245 Archive, courtesy Benny Diridoni

IBEW 1245 Archive, courtesy Benny Diridoni

Installing a 4-inch gas main in Auburn in 1965 was the crew of Pete Moon, Foreman; Benny Diridoni, O.A. Welder; Ed Sanches, MEO-B; Bob Wolfe, Equipment Operator.

Growing old, not demented

A new Mayo Clinic study shows that dementia is not an inevitable part of growing old.

Recent research demonstrates that for many age 90 and above, memory can be strikingly sharp. The researchers found a significant proportion of people in their nineties to be free of Alzheimer disease or other forms of dementia. Others became memory impaired, but without full dementia, allowing them to remain relatively independent.

Just because you're in your 90s does not mean you'll be living in a nursing home or developing dementia, concluded Bradley Boeve, MD, a Mayo Clinic neurologist and lead author of the new report, appearing in Neurology.

Boeve said that at least half of those studied looked pretty normal, and that some performed in the superior range on cognitive tests even when compared with much younger individuals.

AFL-CIO NATIONAL BOYCOTTS

JANUARY/FEBRUARY 2003

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