

UTILITY REPORTER

Overtime Scoreboard
Pages 6-7

Haywood inspired belief in partnership



Bob Haywood addressing union concerns about corporate restructuring at a recent meeting in Walnut Creek. (Photo: Eric Wolfe)

Labor-management relations are a matter of law: laws authorize employees to elect unions to represent them, and laws require employers to bargain with those unions.

But labor-management relations do not spring from laws alone, and no one exemplified the importance of the human element in successful labor-management relations more than Bob Haywood, the outgoing Senior Vice President and General Manager for Customer Energy Services at Pacific Gas & Electric.

When Haywood said the company put safety first, you didn't have to wonder if he was going to forget that commitment and move on to some other concern by the next meeting. Haywood

never let an opportunity pass without stressing the company's commitment—his *personal* commitment—to the safety of his employees.

When Haywood said partnership with the union was at the foundation of the CES enterprise, you knew he would feel that way tomorrow and the next day as well. Haywood's commitment to cooperative relations with the union was rooted in his belief that competitive market pressures would demand the company's best performance, and that such performance was not possible without dedicated workers ready to give *their* individual best.

To assess Haywood's legacy at PG&E, you would have to start with the dozens of labor-management committees launched on his watch. The committees were intended to solicit and develop the insights of employees who carry out the day-to-day work of the company.

And by all accounts, those committees have begun delivering the goods: The development of maintenance standards and protocols to assure system reliability. An easing of contractual barriers between Title 200 and Title 300 workers to achieve a more efficient deployment of workers. A hiring hall to enable PG&E to augment its workforce with temporary additional workers, while protecting the job security of the regular workforce.

But Haywood's legacy goes beyond a list of committees and their accomplishments. What he seemed to be striving for—

See PAGE FOUR

PruCare gets poor reviews at PG&E

When Gina Pongasi's baby was born with a herniated belly-button last year, the specialist treating her infant said to come see him again in three months.

She followed his directions, and 11 months later is still getting billed for the treatment—despite the fact that the specialist is affiliated with the health care plan Pongasi subscribes to as a PG&E employee.

"It makes me nervous," said Pongasi, a service representative at the San Francisco Call Center. "I don't want to end up in collections."

San Francisco isn't the only location where employees are unhappy with their treatment at the hands of PruCare, the health care

plan utilized by more than 11,000 at PG&E. In Merced and Bakersfield, the problems appear to be even worse—and the employees even more distressed.

Responding to a flood of complaints, Local 1245 and PG&E last month jointly convened a series of focus groups around the state to investigate problems with PruCare. In Fresno, Belmont, Concord, San Francisco, Bakersfield and Merced, union and company officials invited employees to discuss their experiences in seeking medical care through PruCare.

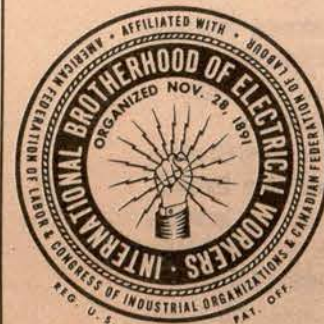
Employees were not a bit shy about venting their anger and frustration. When asked to identify the main problems, employees at all six locations invariably put

three at the top of the list: referrals, billing, and doctor choices. Also mentioned were quality of care, the prescription plan, and a lack of good information.

Pongasi's view was a common one. See PAGE FIVE



Service Rep. Gina Pongasi describes her experience with PruCare.



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CALENDAR

July 18
Pin Dinner
San Bernardino, Ca.

August 2-3
Advisory Council
Reno, Nev.

August 16
Gas & Electric Rodeo
Rancho Seco, Ca.

October 11
Pin Dinner
Reno, Nev.



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Workers here and abroad

Rolling the union on...

We'll Close: From 1993 to 1995, employers in the US threatened to close the plant in 50% of all union certification elections, the Multinational Monitor reported. In another 18% of the campaigns, the employer threatened to close the plant during negotiations for a first contract. About 15% of the employers followed through on the threat. Prior to the passage of NAFTA, only 5% of employers shut the plant in response to union elections, according to one study.

Bangladesh, B'Gosh: After making bib overalls

and children's clothing for 102 years in Oshkosh, Wis., the city whose name it appropriated, OshKosh B'Gosh has announced plans to close its remaining US production facilities. Factories in Bangladesh and India have been producing much of the firm's product line for several years, Label Letter reported.

You're History: Managers have a multitude of euphemisms to spare them the discomfort of having to say the words "You're Fired": Getting the ax. Involuntary severance. Displacement. Outplacement. And now the Wall Street Journal reports two new additions: "Redirecting ca-

Plants for sale

PG&E announced plans to sell four more power plants--Contra Costa, Pittsburg, Potrero and The Geysers.

The sales will be in addition to the previously announced sale of Morro Bay, Moss Landing, Oakland and Hunters Point power plants.

Union members will be eligible for monetary and other benefits under an agreement negotiated earlier this year for generation employees facing displacement. Contact your business representative for details.

Unit change

Unit 2401, San Francisco Clerical, has a new meeting location. Beginning in July, the unit will meet at the Beale Street Bar & Grill, 133 Beale st., between Mission and Howard, in San Francisco. Meeting date is still the second Wednesday of each month. Meeting time remains 5:30 p.m.

McNally appointed to ISO

Local 1245 Business Manager Jack McNally was recently appointed to serve on the Governing Board of the Independent System Operator, giving utility employees a place at the table in the utility restructuring process.

The Independent System Operator (ISO) is the newly-created institution responsible for assuring system maintenance and reliability as California develops a market for electricity.

McNally will serve as a member of the Corporate Governance Committee, which establishes all other committees. He will also serve as a member of the Grid Reliability and Operational Committee.

The ISO has 25 members, representing utilities, public power agencies, independent power producers, consumers, state regulators, and others. McNally is the only labor representative on the ISO Governing Board.

reers" and "People actions." Either way, you're on the street.

Using Fear: "A three-year-old isn't logical. A three-year-old sees a pretty red stove top, and she wants to touch it, and you have to tell her how it will sizzle her fingers and be terribly painful. The use of fear is just as appropriate with your employees as it is with your three-year-old." A lawyer for the Jackson, Lewis, Schnitzler & Krupman law firm, at a union-busting seminar infiltrated by Matt Bates of the IAM Journal.

Gunned Down: Two gunmen pumped 19 bullets into the head and chest of

Datta Samant, leader of Magar Aghadi (Workers' Front), on Jan. 16 in Bombay, the Multinational Monitor reported. Samant, who led 250,000 workers in the Great Strike of 1982 to 1983 in Bombay's cotton mills, was the third major Indian labor leader to be murdered in the 1990s.

Whatever Happened to Free Speech? Republican legislators in Oregon introduced a bill that would ban boycotts, Label Letter reported. Anyone threatening or conducting a boycott could be charged with a felony carrying penalties of up to five years in prison and a \$100,000 fine.

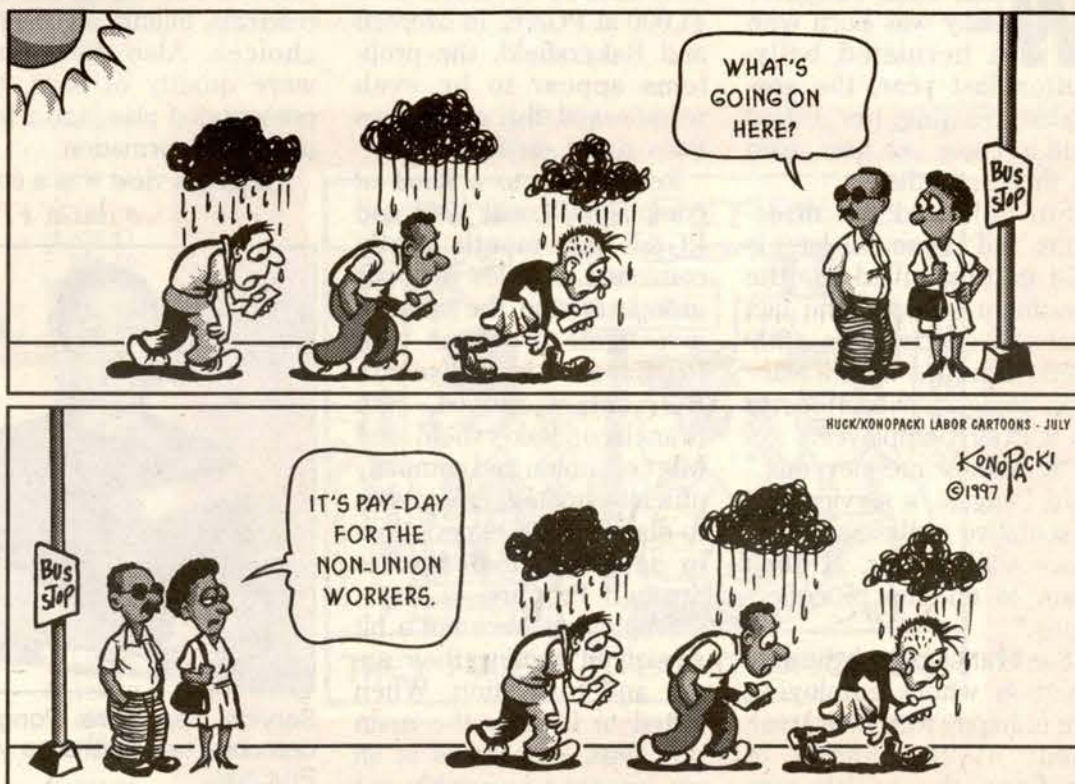
APPOINTMENTS

PACIFIC GAS & ELECTRIC
Review Committee
Mike Grill
Jim Lynn

CONFERENCES & CONVENTIONS

National Safety Council
Conference
Art Murray

A. Philip Randolph
Institute 28th Annual
National Education
Conference
Norma Ricker
Bernard Smallwood
Danny Jackson
Ray Shepherd



Labor-Management cooperation programs: are they effective?

By Nicole Sonke

Growing foreign competition, rapidly changing technology, and shifting consumer preferences are radically altering the rules for competing in today's market place.

Traditional ways of operating and centralized management approaches increasingly are being replaced by customized flexible operation procedures and decentralized, team-based management. Many companies have adjusted this style of operating by using Labor-Management programs to utilize the best of their employees' assets and eliminate many of the divisions between employees and management. This makes their workplace and companies profitable, flexible, intensely competitive, and a great place to work.

Companies, like Saturn, Detroit Diesel, and Xerox to name a few, have recently proved this. In the first example this whole company was structured to succeed by using this concept and the latter two both turned around companies that were undergoing possible bankruptcy due to the inefficient style of their operations.

When Xerox could no longer compete globally, they listened to a suggestion made by a group of their employees. This suggestion has allowed them to dramatically reduce their costs and become competitive again.

Saturn has definitely taken the team approach. The whole company works to-



Nicole Sonke accepts plaque from Jack McNally, naming her the Al Sandoval essay winner. At left is her father, Jerry Sonke, a union member at PG&E, and her mother.

gether as a team. Labor-management cooperation means representatives from the company and the union will work in a partnership based on open communications, trust, honesty, and respect, in order to solve problems, so everyone can enjoy the mutual benefits of a successful business.

These programs are effective because workers feel that they have a voice in what goes on in their workplaces, that everyone is a part of the whole team. The key element to these partnerships is union involvement and input into the decision-making process at all levels of the company. It is no longer us against them. Now we are in this together.

Workers are more productive when they feel they are valued. When they feel someone cares about what they think, their job becomes important to them.

The greatest asset any company in America can have is the brainpower of its workers. Keys to success in today's new economic environment are a flexible, supportive workplace and a highly skilled, creative, and loyal workforce. Managers are finally realizing that the workers have good ideas and valuable suggestions in making the company run more efficiently. Workers are more motivated when they feel they have a stake in the outcome.

Clearly, adopting Labor-Management workplace cooperation offers significant benefits for companies and their workers as well as for the economy. Companies can lower costs while increasing flexibility, speed, and quality.

Many companies have found that these changes reduce labor conflict, safety costs, and employee turnovers. Workers benefit from a greater voice in decisions, safer and better working conditions, respect, job security, and more opportunities for pay increases, advancements and skills improvement.

As long as lines of communication and respect remain open, I feel labor-management cooperation programs will become the key to every successful business in America.

The key element to these partnerships is union involvement and input into the decision-making process at all levels of the company... The greatest asset any company in America can have is the brainpower of its workers.

POINT OF VIEW

Management shake-ups can erode confidence

Jack McNally, IBEW 1245 Business Manager

In its latest management shakeup, the Pacific Gas & Electric Board of Directors elected four new senior vice presidents, five new vice presidents and rearranged various executive assignments.

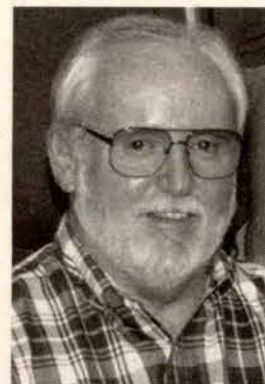
PG&E President Gordon Smith, who assumed his position only a few weeks ago, said the changes in management are intended "to lead the company into the next century while building on our record of safe and reliable service."

There's no question that the new market environment presents a great challenge to PG&E. But it is far less clear that a change in top management is the primary factor in meeting that challenge successfully.

In fact, to the extent that they create a climate of uncertainty and apprehension within the company, changes in top management can actually detract from PG&E's ability to deliver on its promise of safe and reliable service.

What makes for safe and reliable service? You won't find the answer by examining the corporate bottom line, no matter how hard you look. Safe and reliable service is a product of work. Work is done by people. And good work is done by well-trained and highly-motivated people.

What motivates people? It takes more than a profit-and-loss statement or a new business plan. People are motivated by other people. Bargaining unit members are motivated by first-line supervisors who convey a sense of confidence and clarity of purpose, and who are open to the insights of



those they supervise. Supervisors, in turn, rely on the confidence and clarity of purpose exhibited by those above them in the management chain.

Over time, as these relations mature, you can expect a more dynamic and productive organization.

Management shake-ups work against this process. Each management shake-up will make some people—sometimes many people—apprehensive about what the future holds. Rather than putting their best foot forward, people in this situation—managers and union members alike—will tend to look for cover.

It's not a formula for success when you're a company looking for creative thinking to help you become more productive.

Obviously any company will need to make changes in top management from time to time. But before undertaking such changes, a company needs to consider more than the latest profit-loss statement. It needs to consider the benefits—and the costs—to the whole organization.

Haywood inspired belief in partnership at PG&E

From PAGE ONE

and to some extent accomplishing—was to redefine the nature of labor-management relations by replacing suspicion and confrontation with mutual respect and dialogue.

This was, and remains, a giant undertaking. There is conflict built into the very fabric of labor-management relations in a free enterprise system, as shareholders and workers vie to maximize their respective slice of the revenue pie.

But what breathed new vitality into PG&E two years ago was the insight that the potential benefits of cooperation were far preferable to the real costs of confrontation—for both labor and management. When then-CEO Stan Skinner and Local 1245 Business Manager Jack McNally signed the partnership agreement on April 5, 1995, they were gambling that “a new process of dialogue” could put labor-management relations at PG&E on a new footing.

Words on paper quickly became deeds on the ground. Various production issues were tackled by dozens of joint committees established by Haywood and McNally. Hundreds of supervisors and bargaining unit employees attended “mutual gains” bargaining classes to learn new approaches to conflict resolution.

And larger gatherings were convened by Haywood and McNally to tackle the thornier issues.

In May of 1995, rank and file union members and first-line supervisors met in Santa Nella to address long-standing rifts between the Division and General Construction workforces. In December of 1995, nearly 100 management and bargaining unit employees met in San Ramon for two days to discuss a wide range of productivity issues, including how work should be assigned, utilization of hiring hall employees, the need for a non-journeyman electric classi-

Haywood's commitment to cooperative relations with the union was rooted in his belief that competitive market pressures would demand the company's best performance, and that such performance was not possible without dedicated workers ready to give *their* individual best.

fication, and the need for more apprentices. Another meeting, in October of 1996, brought together Division Managers and union business representatives to identify obstacles to partnership at the local level and improve working relations.

Haywood rarely missed an opportunity to remind people of the severe budgetary constraints PG&E faces at the dawn of the competitive era, and he was unflagging in his efforts to inspire employees to find ways to use current resources more efficiently. But if he was convinced additional resources were needed to deliver on the promise of safe, reliable and responsive service, he did not look for ways to avoid action.

The union might not always have agreed with the particulars of Haywood's decisions, but there was never any doubt they were made in good faith.

And good faith was key to the whole partnership enterprise. The battles of 1994-95 had created a climate of crippling distrust and hostility between labor and management at PG&E. Haywood understood that mutual trust between management and labor had to be restored in order for the

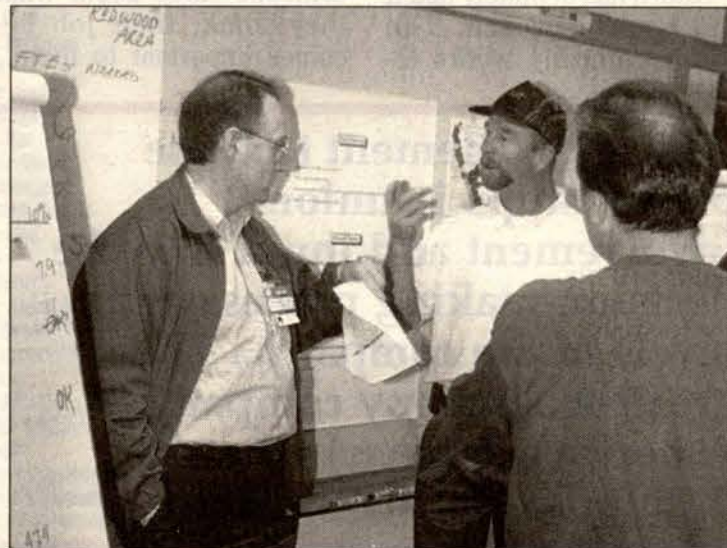
company to move forward.

Trust, of course, is ever a work-in-progress. It must be continually replenished by acts of good faith. Not just talkin' the talk, but walkin' the walk.

Haywood's vision of a company made successful by an empowered, invigorated and innovative workforce is still not fully realized. But through the strength of his commitment and character, Haywood inspired many to believe it is possible to achieve.



Haywood helped foster constructive labor-management dialogue through three “summit meetings”: Haywood discusses PG&E's competitive challenge in Santa Nella, October 1996 (above), listens to union concerns in Santa Nella, May 1995 (left), and discusses workload issues with rank and file members in San Ramon, December 1995 (below).



PG&E employees air concerns about Prucare

From PAGE ONE

mon one: PruCare comes across as a company out of touch with its clients and their problems. In her particular case, Pongasi is mystified by PruCare's refusal to respond to bills submitted by the specialist treating her infant's health problem.

"They could say they've denied it, or it's pending—have some kind of communication with the doctor or the patient," said Pongasi. "But both of us are being ignored."

Pongasi said she selected a pediatrician when her child was born. But PruCare assigned her to a different pediatrician, never asking Pongasi about her preference.

The result has been a relentless procession of



monthly bills, with no resolution of the problem in sight.

"This is amazing," said Local 1245 Senior Assistant Business Manager Darrel Mitchell, who listened to employee concerns at all six locations surveyed. "People are being harassed and harassed about these bills in a system where they're sup-

posed to be able to pay ten bucks and they're done."

Pongasi's was just one of many unsettling stories.

One employee, who told of going to an emergency room thinking she was having a heart attack, said PruCare refused to pay for the visit because it turned out not to be a heart attack. Several employees com-

plained of difficulties with the referral process. Others spoke of billing snafus. Some said they had been treated rudely by PruCare personnel.

Following the focus group meetings, company and union officials met with PruCare to discuss the problems raised by members, with an initial focus on the

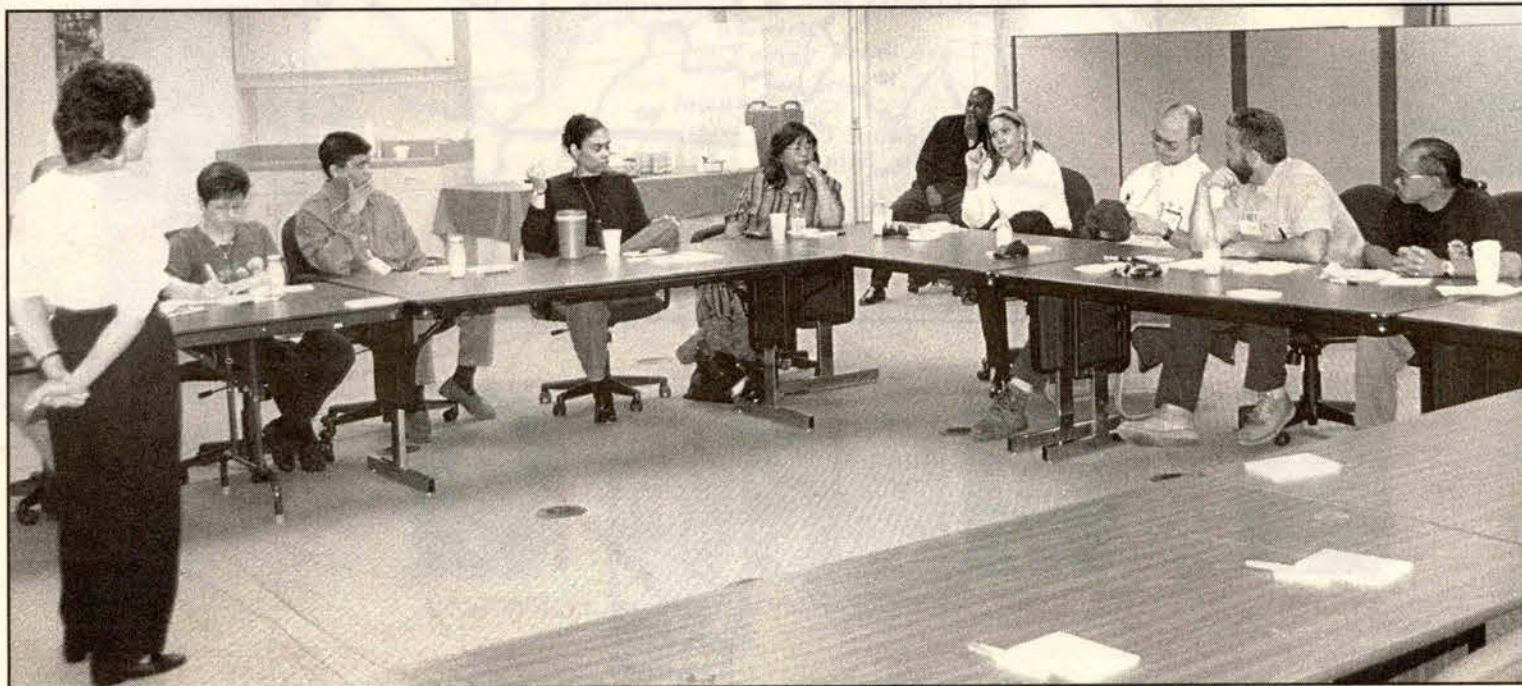
complaints coming from Merced and Bakersfield. PruCare is now investigating.

Besides problems with PruCare itself, the focus groups made it clear that employees don't have enough information about how their health care plan works. Mitchell said the union favored developing some form of communication from the company to employees explaining how to get what you need out of their health care plan. In addition, the union would like to see PG&E establish an ombudsman for dealing with medical service delivery problems.

"You have people fighting their own battles with their health care system because they don't know what resources are available," said Mitchell. "We want people to be informed about these resources, and if these resources are inadequate we want them improved."

"You have people fighting their own battles with their health care system because they don't know what resources are available. We want people to be informed about these resources, and if these resources are inadequate we want them improved."

Darrel Mitchell



PG&E employees expressing their concerns about PruCare during the focus group meeting at San Francisco Call Center last month were: Ray Dearman, Janet Bertoloni, John Agpoon, Gina Pongasi, Helen Jackson, Bev Hunter, Tom Dudley, Bob West, Ed Abriam, Danny Durant, and Suzie Kennedy. Listening (above, far left) were Jeanine Czerotzki, Human Resources; Darrel Mitchell and Julie Rodriguez, Local 1245; Al Smullin, supervisor of benefits administration; and Bill Shelley, supervisor of benefits development.

Overtime vote rev

Key

Voted to Save
Overtime Pay

Voted to Kill
Overtime Pay

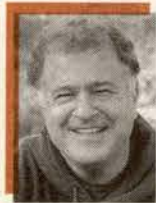
How did your
Assembly Member vote?

On June 3, did your Assembly

Save It



Aroner



Perata



Brown



Torlakson



Thomson



Ortiz



Strom-Martin



Migden



Shelley



Papan



Machado



Sweeney



Keeley



Lempert



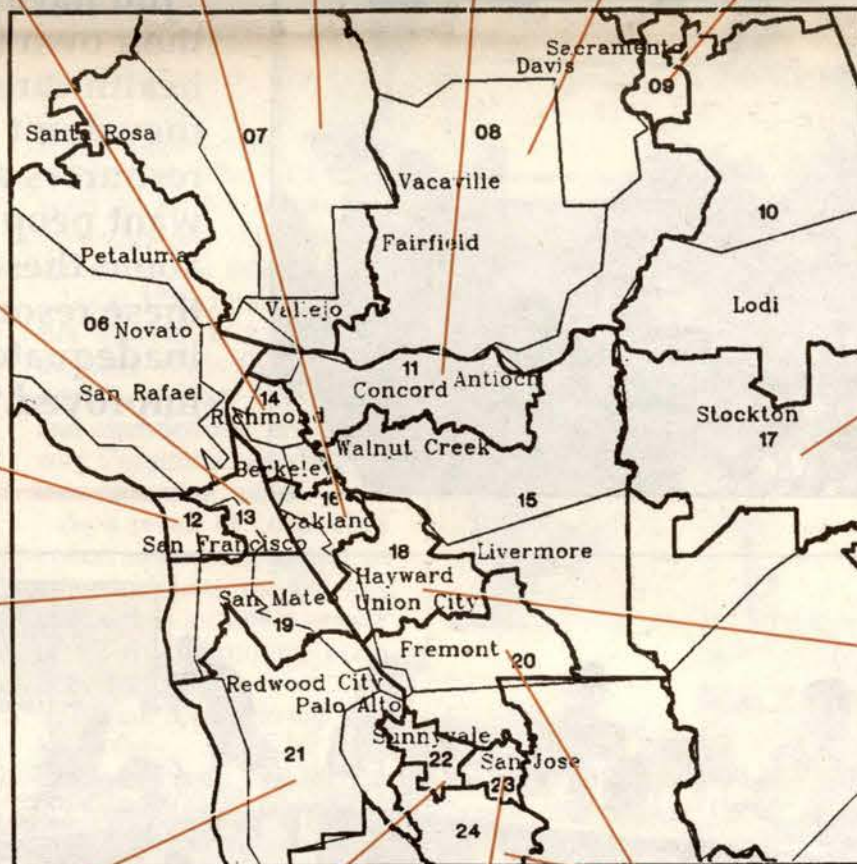
Alquist



Honda



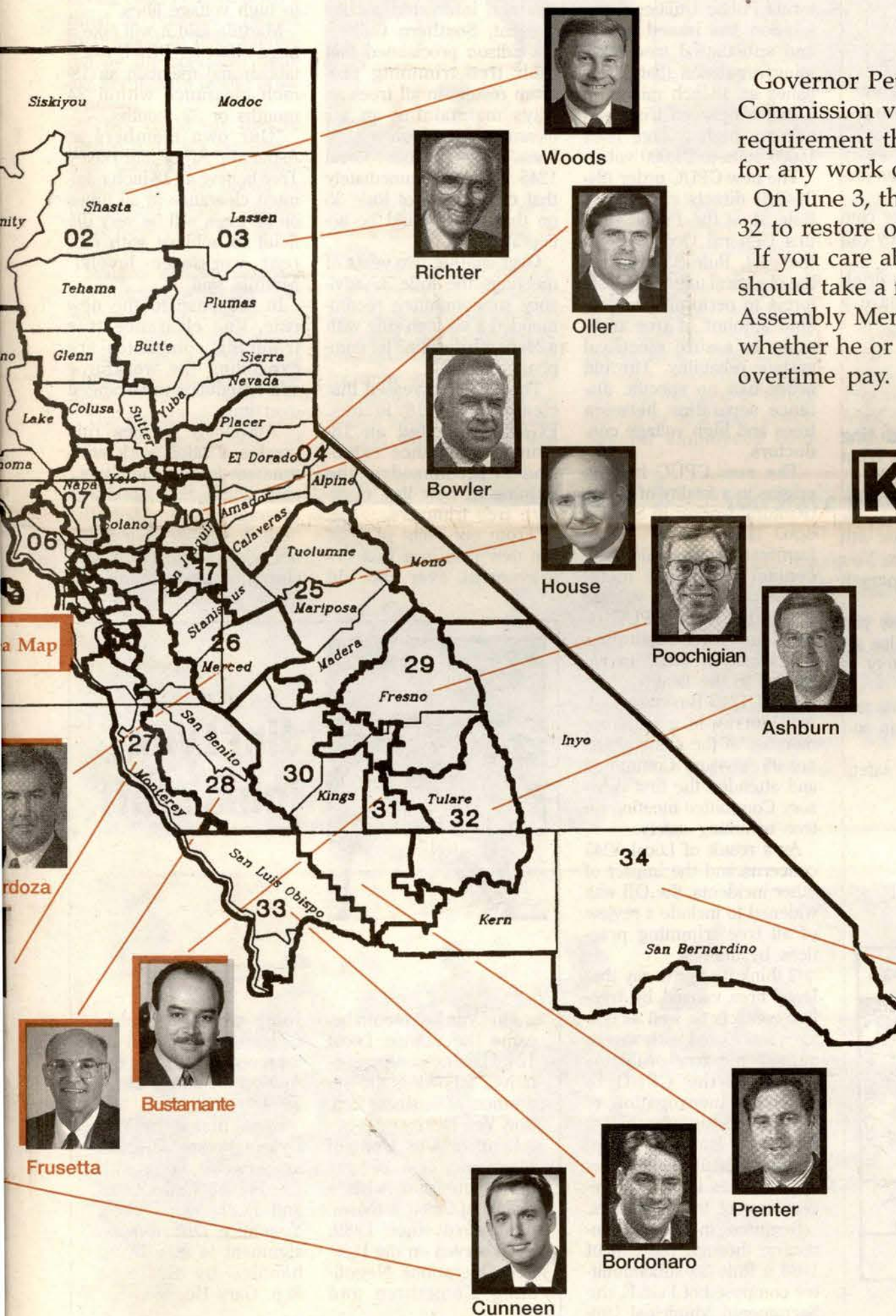
Figueroa



See Bay Area

reveals legislators' true colors

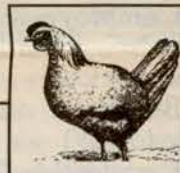
ly Member vote to save overtime pay, or to kill it?



Governor Pete Wilson's Industrial Welfare Commission voted April 11 to abolish the requirement that employers pay time-and-a-half for any work over eight hours in a single day.

On June 3, the California Assembly voted 42-32 to restore overtime pay.

If you care about your overtime pay, you should take a few moments to locate your Assembly Member on this map, and find out whether he or she voted to SAVE or KILL overtime pay.



Refused to take a stand



Alby, District 5



Mazzoni, District 6



Leach, District 15

Safety Matters

By the Local 1245
Safety Committee

Safe vacations

Vacation time and boating go hand in hand many times. While enjoying yourself, be prepared for the unexpected.

The Carolinas Power and Light Co. suggests ways to ensure that your boating trip ends happily:

- Tell someone where

you are going and when you will return.

- Be sure everyone wears an approved floatation device.

- Watch the weather conditions; remember they can change quickly.

- As in a car, do not drink and drive. Always have a designated driver.

Safe worksites

Safety is each person's responsibility. Here are some thoughts to help employees orient themselves toward safety at the worksite:

- Be there on time, ready to go!

- Pay attention. Don't be distracted by other things. Don't do anything to distract others.

- Ask questions! Participate! It's just as much a part of your job as anything else you do.

- Don't be embarrassed by asking "stupid" ques-

tions! there is no such thing as a stupid question. What you don't know *can* kill.

- Realize that the ultimate safety program always has been, and always will be, self preservation. You are accountable for yourself and how you act.

- Look out for those you work with. You are also accountable for the safety of those around you.

- Share your insights and ideas with the foreman and crew.

- Learn what the safety rules are.

'BREAKNECK SPEED' CAN MEAN JUST THAT:



TAKE IT EASY. WORK SAFELY.

New rule benefits tree trimmers

After three years of meetings and almost 5,000 pages of reports, exhibits and testimony, the California Public Utilities Commission has issued a new and substantial tree trimming regulation that establishes an 18-inch minimum distance between trees and primary high voltage lines (4000 volts to 21,000 volts).

The new CPUC order (94-06-012) directs changes to Rule 35 of the Public Utilities General Order 95. In the past, Rule 35 required the electrical utilities in California to perform a reasonable amount of tree trimming to assure electrical system reliability. The old order had no specific distance separation between trees and high voltage conductors.

The new CPUC had its origins in a fatality of an agricultural worker in San Diego in 1993. This farmworker was killed by contact between a metal pruner and a high voltage power line. The CPUC issued an Order Instituting Investigation (OII) in response to the fatality.

Local 1245 Business Rep. Art Murray is a standing member of the General Order 95 Advisory Committee and attended the first Advisory Committee meeting on tree trimming safety.

As a result of Local 1245 concerns and the impact of other incidents, the OII was widened to include a review of all tree trimming practices by utilities.

"I think it's fair to say that large fires caused by tree-line contacts as well as outages associated with severe storms and tree problems prompted the CPUC to widen its investigation of tree-line contacts," said Local 1245 Business Rep. Landis Marttila, whose responsibilities include representation of tree trimmers.

Beginning in 1994 and continuing through the end of 1996 a Rule 35 subcommittee composed of PG&E, the Sacramento Municipal Util-

ity District, Local 1245, and CPUC representatives worked on creating a new rule.

"At one of the first large meetings with all the utilities and interested parties present, Southern California Edison proclaimed that their tree trimming program results in all trees always maintaining an air clearance from high voltage lines," said Marttila. "Local 1245 indicated immediately that clarification of Rule 35 on that basis would be acceptable."

Over another two years of meetings the Rule 35 advisory subcommittee recommended a six-inch rule with a 24-month deadline for compliance.

The CPUC increased that clearance to 18 inches. PG&E requested an 18-month compliance extension to accommodate the training of new line clearance tree trimmers.

"From our point of view, the new rule is a vast improvement over the old

CPUC Rule 35," said Marttila. "In the near future our line clearance tree trimmers will rarely have to deal with hot trees or trees in extremely close proximity to high voltage lines."

Marttila said it will take a huge effort for PG&E to establish and maintain an 18-inch clearance within 24 months or 32 months.

"Our own members at Asplundh, Arbor and Davey Tree believe an 18-inch minimum clearance at all times on all trees will be very difficult to achieve with current workforce levels," Marttila said.

In response to the new rule, line clearance tree trimming companies are expanding the workforce and scheduling prearranged overtime.

"Absolutely the new rule creates a safer work environment for our members," said Local 1245 Business Manager Jack McNally, "and it enhances our members job security in line clearance tree trimming."



Jim Lynn joins staff

Jim Lynn last month became the newest Local 1245 business representative, following the retirement of Business Rep. Ron Van Dyke.

Lynn, a Gas Control Mechanic, is a 26-year union member with a record of union activism. A steward since 1989, Lynn served on the Pipeline Operations Negotiating Committee and

Joint Apprenticeship Committee, as well as representing PLO on the Advisory Council since 1991.

Lynn picks up Van Dyke's Fresno Division assignment, along with the Fresno Call Center and PLO. Van Dyke's Yosemite Division assignment is now being handled by Business Rep. Gary Hughes.

Save Medicare from Managed Care excesses

Managed care is rapidly becoming the way most Americans receive their health care. What all managed care plans have in common—whether HMO, PPO, or HMO with POS option—is that they pay the providers of care through a method known as capitation.

Capitation means providers get paid a set amount for each enrollee regardless of the types and amounts of services that are provided to that person. The fewer services provided to an individual, the more money the plan makes. Nearly four million Medicare beneficiaries are enrolled in some type of managed care program.

Managed care supposedly saves money over fee-for-service medicine. Managed care plans negotiate lower rates with specific doctors and hospitals. Enrollees are then allowed only to see those providers who have

By Orv Owen

Medicare is a basic part of the quality of life for seniors. As the "managed care" philosophy is applied to Medicare, it is worth our while to pay attention to make sure that the quality of care is not lowered, and that medical care remains affordable.

In our continuing series on important policy issues facing today's seniors (and the seniors of tomorrow), this month's Retirees Corner focuses on managed care, using information from the National Council of Senior Citizens.

Remember—stay informed. And keep the faith!

signed up with the plan. If a business changes plans there is no guarantee that an employee's physician will be a member of the new plan.

Managed care plans also limit access to specialists.

Arguments for Proposed Changes

Congressional leaders see managed care as a way to slow the rate of growth in the Medicare program. They argue that managed care plans can provide more benefits for the same

amount of money Congress is currently paying per Medicare beneficiary. Some Medicare managed care plans are able to offer their members prescription drugs, discounted eyeglasses, hearing aids and other services.

For Congress, managed care also means a fundamental shift in the way Medicare pays for services. No longer will Medicare reimburse providers for each service rendered. Instead, Medicare will pay a fixed rate for each beneficiary, limiting their liability and responsibility. This shift would move Medicare from a defined benefits package (where everyone gets the benefits listed if needed) to a defined contribution package (where Congress pays a fixed amount for each beneficiary).

Some propose that many regulations governing managed care plans can be repealed to make them even more effective. Proposals include eliminating the requirement that a plan must consist of at least 50% non-Medicare/Medicaid enrollees. They also propose the creation of an open enrollment season limiting the time when someone could leave or join a managed care plan.

False Choices

While some managed care plans offer improved benefits with lower out-of-pocket payments and good quality care, not all do. Recent studies have shown that elderly plan members do not do as well under managed care as with fee-for-

service medicine. Managed care now costs more per beneficiary than traditional fee-for-service Medicare.

Data show that managed care offers only a one-time savings by lowering premiums. In some parts of the country, managed care premiums and costs increase faster than traditional insurance. The requirement that managed care plans must have at least 50% non-Medicare enrollees must be maintained. This provision was created to prevent the growth of Medicare or Medicaid "Wills" which could be exploited by unscrupulous providers. The provision allowing seniors to return to traditional Medicare within 30 days must be retained. It allows people trapped in a bad HMO to get out before their health is endangered.

Real Solutions

Managed care must remain optional for all seniors. Medicare beneficiaries should not be forced by rising premiums and co-payments to join a managed care plan. Rather, managed care plans should compete in the marketplace with traditional Medicare. If a managed care plan can offer better benefits at lower cost while maintaining quality of care, it will thrive.

Congress must improve the quality standards for managed care plans. Congress should adopt the Managed Care Consumer's Bill of Rights as put out by the Public Policy and Education Fund of New York:

- The right to have timely access to health care and

IBEW
Local
1245



Retirees Corner

Retiree Club dates

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 Local 332, 1870 Stone Ave., San Jose.

Congratulations to the newly-retired!

The Local 1245 Retirees Club extends its congratulations to these recently-retired members of the union. We invited you to participate in a Retirees Club chapter in your area, or to start one in your area if there is none! Call Julie Rodriguez at 510-933-6060 Ext. 208.

Name	Residence	Yrs/Srv.
Lowell Creighton	San Ramon, CA	40
William Eaton Jr.	San Francisco, CA	33
Barbara Engelman	Oroville, CA	15
Bernard Ferrao	Alameda, CA	27
Katherine Henderson	Oakland, CA	27
Richard Holstein	Hercules, CA	30
Heinrich Killian	Fairfax, CA	33
Rudolf Krueger	Santa Rosa, CA	33
Barbara McPherson	Chico, CA	17
Ilah Maier	Martinez, CA	19
Dale Nelson	Fresno, CA	33
Jean Pamphile	Concord, CA	31
Robert Ray	Santa Cruz, CA	41
Kenneth Reeves	Santa Maria, CA	40
Robert Rios	Antioch, CA	35
Paul Shelton	Redding, CA	31
Margaret Siegenthaler	Burney, CA	17
Thomas Vontz	Buttonwillow, CA	32
Brian Ware	So. San Francisco, CA	35
Ira Wilson	Sacramento, CA	32
Sandra Yarbrough	Fremont, CA	11



Senate OKs Medicare fee hike

The US Senate voted June 24 to require some seniors to pay substantially more for Medicare benefits.

The Senate also voted to start raising the age at which seniors become eligible for Medicare—gradually rising from 65 today to 67 in 2027.

If signed into law, these changes would immediately harm about 1.6 million Medicare beneficiaries whose incomes exceed \$50,000, \$75,000 for couples.

The premiums they pay to receive coverage of doctors' bills would increase on a sliding scale, from the current \$525 a year to a maximum of \$2,102 for individuals with incomes of \$100,000 and up.

FINANCIAL STATEMENT

IBEW Local 1245 FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 1996

INDEPENDENT AUDITOR'S REPORT

February 18, 1997

To the Officers and Members of the
International Brotherhood of Electrical
Workers, Local No. 1245
Walnut Creek, California

We have audited the accompanying statement of Financial Position arising from cash transactions as of December 31, 1996 and the related Statements of Cash Receipts and Disbursements of the International Brotherhood of Electrical Workers, Local No. 1245 for the year and quarter ended December 31, 1996. These financial statements are the responsibility of the union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash transactions of Local No. 1245 for the year and quarter ended December 31, 1996 and its net assets at December 31, 1996 in accordance with the basis of accounting described in Note 1 to the statement.

DALMAS ACCOUNTANCY CORP.
Certified Public Accountant

EXHIBIT A
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 1245
STATEMENT OF FINANCIAL POSITION
ARISING FROM CASH TRANSACTIONS
December 31, 1996

ASSETS

Cash Accounts and Stock Fund at cost:		
General Fund:		
Wells Fargo Bank - checking accounts	\$ 338,721.21	
Wells Fargo Bank - market rate account (Note 6)	3,219,379.23	\$3,558,100.44
Certificates of deposits		400,000.00
Merrill Lynch CMA Money Fund		1,836,401.10
Cash funds		5,350.00
Total General Fund		5,799,851.54
Checking Account - Political Donation Fund		1,157.77
Total current assets		5,801,009.31
Prepaid expense		2,082.45
200 shares PG&E common stock - at cost		3,388.17
Air Transportation deposit		425.00
Loans receivable from		
Energy Workers Center, Inc. (Note 2, 4)		31,223.96
Francella memorial		7,000.00
Fixed assets (Note 1):		
Automobiles (41) at cost	851,964.99	
Less: allowance for depreciation	610,029.91	241,935.08
Furniture and office equipment - at cost	875,906.83	
Less: allowance for depreciation	685,749.95	190,156.88
Total assets		<u>\$6,277,220.85</u>

LIABILITIES AND NET ASSETS

Liabilities:		
IBEW per capita portion of December receipts to forward	\$ 173,343.99	
Prepaid dues-PG&E	602,943.52	
Current liabilities		\$ 776,287.51
Net Assets:		
Unrestricted	5,499,775.57	
Political Donation Fund	1,157.77	5,500,933.34
Total liabilities and net assets		<u>\$6,277,220.85</u>

The accompanying Notes are an integral part of these financial statements.

EXHIBIT B
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 1245
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended December 31, 1996

POLITICAL DONATION FUND

Cash balance, December 31, 1995	\$ 8,847.77
Receipts:	
Portion of local union dues deposited directly to this fund	18,314.00
Total receipts and balance	27,161.77
Disbursements:	
Members rebates	4.00
William Brown	250.00
SF Labor Co. Cope Dinner	400.00
SF Labor Neighbor Program	500.00
Dale Price Campaign	200.00
Byron Sher for State Senate	1,500.00
Doug Bosco for Assembly	500.00
Pat Johnson for Senate	500.00
Steve Peace for State Senate	750.00
Friends of Cruz Bustamante	500.00
Bob Campbell for State Senate	500.00
Brunner for City Council	500.00
Friends of Bill Camp	500.00
Friends of Mickey Conroy	500.00
Valerie Brown-State Assembly	500.00
Teresa Hughes for Senate	500.00
Anthony Tyrell for supervisor	250.00
Cope-Awards Banquet	900.00
Contra Costa Cope-AFL-CIO	750.00
Steve Peace for State Senate	750.00
Friends of Curt Pringle	500.00
Tom Collins for Assembly-Nevada	250.00
Bob Price for Assembly-Nevada	250.00
Return Dick Floyd to Sacramento	750.00
Friends of Dennis Cordoza	500.00

FINANCIAL STATEMENT

Committee to Elect Diane Martinez	500.00
Cervantez for Assembly	750.00
Helen Thompson for Assembly	500.00
Committee to Elect Virginia Strom-Martin	750.00
Gail Scalzi for Assembly-Nevada	250.00
Roy Neighbors for Assembly	250.00
Smith for Senate	1,000.00
Dede Alpert for Senate	1,000.00
Lockyer for Senate Committee	3,000.00
Brulte for Senate	1,000.00
Hilda Solis for State Senate	750.00
Friends of Rusty Areias	1,000.00
Byron Sher for State Senate	500.00
Marcia DeBraga for Assembly	250.00
Vivian Freeman for Assembly	250.00
Jan Evans for Assembly-Nevada	250.00
Bonnie Shultz for Assembly-Nevada	250.00
Bernie Anderson for Assembly-Nevada	250.00
Mike Smith for Assembly-Nevada	250.00
Betty Sanders for Assembly	250.00

Cash balance, December 31, 1996
Wells Fargo checking account **\$ 1,157.77**

The accompanying Notes are an integral part of these financial statements.

EXHIBIT C
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 1245
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
UNRESTRICTED NET ASSETS
For the Year Ended December 31, 1996

Cash balance, beginning December 31, 1995 **\$4,494,839.26**

Receipts:

Local Union portion of receipts:		
"A" members' dues	\$ 161,413.46	
"BA" members' dues	6,619,842.93	
Initiation fees	37,791.21	
Reinstatement fees	421.50	
Agency fees	87,055.26	
Working dues	105,340.96	
Difference in dues	50.00	
Retirement Club dues	17,192.00	
Hiring hall dues	919,616.47	7,948,723.79

Reimbursements to General Fund:		
Interest and investment income	189,946.23	
Dividends	392.00	
Workmens compensation dividends	31,626.32	
Refunds and reimbursements:		
Loan payments - Energy Workers Center:		
Interest	1,766.06	
Principal	22,057.43	
Union Shopper	3,215.50	
Other receipts	14,014.12	
Insurance reimbursements	21,353.43	
Automobiles and equipment sales	20,700.	305,071.09

International portion of receipts:		
"A" members' per capita	185,334.67	
"BA" members' per capita	1,693,973.30	
Initiation fees	34,346.93	
D.B.A.F. fees	232.00	
Reinstatement fees	2,041.50	
Agency fees	45,963.86	
Difference in fees	1,982.59	
Difference in per capita	3,818.40	1,967,693.25

Total receipts	10,221,488.13
Total balance and receipts	14,716,327.39

Disbursements, per Page 11 of Schedule of Disbursements	9,260,771.21
Cash balance, December 31, 1996	5,455,556.18
Plus: Prepaid Dues - PG & E	344,295.36
Cash balance, December 31, 1996, Details in Statement of Financial Position	\$5,799,851.54

The accompanying Notes are an integral part of these financial statements.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL NO. 1245
SCHEDULE OF CASH DISBURSEMENTS
UNRESTRICTED NET ASSETS
For the Year Ended December 31, 1996

Affiliation fees:	
International Brotherhood of Electrical Workers	\$1,966,611.23
San Francisco C.L.C.	5,400.00
Santa Clara C.L.C.	8,580.00

Alameda C.L.C.	9,600.00
Northern Nevada C.L.C.	1,650.00
Nevada State AFL-CIO	4,200.00
Nevada State Electrical Association	588.00
Sacramento C.L.C.	9,600.00
Contra Costa C.L.C.	8,100.00
California Federation of Labor	73,500.00
California State Association of Electrical Workers	33,600.00
Marin County C.L.C.	819.00
San Joaquin and Calaveras C.L.C.	2,100.00
Butte-Glenn C.L.C.	780.00
Napa-Solano C.L.C.	1,926.00
Kern-Inyo-Mono C.L.C.	1,350.00
Fresno-Madera C.L.C.	3,000.00
Sonoma, Mendocino, Lake C.L.C.	1,932.00
Merced-Mariposa C.L.C.	1,350.00
Stanislaus-Tuolumne C.L.C.	1,116.00
Marysville C.L.C.	480.00
Humboldt-Del Norte C.L.C.	603.00
Five Counties C.L.C.	852.00
Monterey County C.L.C.	864.00
Government Coordinating Council	600.00
San Mateo C.L.C.	3,000.00
Idaho State AFL-CIO	137.76
Coalition California Utility Workers	3,600.00
Joint Executive Conference-S.C. Electrical Workers	60.00
Joint Executive Conference-N.C. Electrical Workers	100.00
Tri Counties C.L.C.	1,920.00
California Labor Federation-Retirees dues	12.00
Congress of California Seniors	24.00
Forum-Alameda Retired Members	40.00
Maritime Trades Post Council	555.00
C.L.O.C.	4,200.00
TCC-6	405.00
9th District Manufacturing	120.00
North Eastern Nevada C.L.C.	300.00
Calif. Coalition Utility Workers	17,908.00
C.U.E.	180,918.00

2,352,500.99

Staff expenses:

Salaries	\$2,822,301.55
Expenses	234,858.96
Automobile expenses	21,035.05
Administrative expenses	4,713.29
Fitness plan	1,163.18
Automobile purchases	258,917.58

3,342,989.61

Research and Education:

Subscriptions and publications	19,062.86
Public relations	174.17
Scholarship fund	2,000.00

21,237.03

Office salaries:

Administration office salaries	218,323.28
Bargaining unit salaries	415,082.98

633,406.26

Office expenses:

Rent	116,506.45
Telephone	133,968.63
Postage mail service and meter expense	66,944.74
Print room/printing	48,673.31
Supplies	21,843.51
Equipment maintenance	14,233.39
Data processing	98,776.85
Equipment rental	2,829.09
Utility reporter	102,829.22
Miscellaneous	17,968.79
Bank charges	(59.27)
Furniture and equipment purchases	45,389.84
Utilities and janitorial	5,696.20
Christmas cards	378.00
Storage	9,460.00

685,438.75

See NEXT PAGE

FINANCIAL STATEMENT

From PAGE ELEVEN

	Salaries Paid or Reimbursed	Expenses	Total		
Committee salaries and expenses:				Membership expenses:	
Executive Board meetings	\$ 5,940.00	\$ 12,901.81	\$ 18,841.81	Supplies-Local	\$ 6,749.55
Advisory Council	10,719.44	53,019.10	63,738.54	Supplies-Intl.	7,038.00
Trustee Committee	3,885.99	2,271.64	6,157.63	Union shopper purchases	1,149.81
Review Committee	354.08	1,293.08	1,647.16	Lineman Rodeo	16,155.43
Safety Committee	10,349.60	9,553.06	19,902.66	Miscellaneous fees	6,629.00
Shop Steward expenses	10,286.48	22,389.95	32,676.43		37,721.79
Other conferences	8,601.27	52,224.56	60,825.83	Membership benefits:	
Labor Management	3,709.99	14,397.42	18,107.41	Group life insurance	95,099.76
J.T. Grievance		299.26	299.26	Unit drawing award	600.00
Grievance/FF/LIC	227.58	4,319.96	4,547.54	Individual drawing award	600.00
Central Labor		35.00	35.00	Service award dinners	21,551.34
I/O Convention		9,047.79	9,047.79	Social fund	9,000.00
Leadership	3,047.72	9,085.34	12,133.06	Flowers and donations	1,764.38
Leadership Conference		17,363.33	17,363.33	Memorial bibles	150.21
				Baseball tournament	310.52
	57,122.15	208,201.30	265,323.45		129,076.21
Various Other Committees:				Payroll taxes:	
Citizen Utility		20,658.56	20,658.56	Employee portion:	
Sierra Pacific Power	247.50	457.58	705.08	U.S. income tax withheld	(555,858.08)
U.S. Bureau of Reclamation	2,449.04	829.69	3,278.73	FICA withheld	(226,392.88)
Outside Line	537.75	2,384.98	2,922.73	California income tax withheld	(149,459.42)
Sacramento Muni Utilities District	7,596.59	6,557.61	14,154.20	SDI withheld	(12,991.33)
Regional Transit	14,775.36	2,809.66	17,585.02	U.S. income tax forward	555,858.08
C.P.U.C. Campaign		193.01	193.01	FICA forwarded	226,392.88
Retirees		31.04	31.04	California income tax forward	149,459.42
Local Union Election	1,814.56	905.93	2,720.49	SDI forward	12,991.33
Outside Line Conference		1,680.99	1,680.99	Local Union portion:	
AT & T General Negotiations		540.88	540.88	FICA	226,749.03
Pacific Gas Transmission	4,702.02	9,255.90	13,957.92	California Unemployment	12,564.08
Organizing Expenses	3,129.76	1,636.37	4,766.13	U.S. Unemployment	3,233.96
Modesto Irr. District	2,468.61	326.60	2,795.21		242,547.07
Merced I.D.		404.38	404.38	Employee benefits:	
City of Oakland		761.83	761.83	Health and Welfare plans	386,936.48
Davey Tree	227.20	3,413.52	3,640.72	Group life insurance	117,108.98
Arbor Tree	232.88	2,224.76	2,457.64	Pension plan (Note 5)	505,025.87
Truckee Donner P.U.D.	3,220.67	720.56	3,941.23	Other costs, pension plans	44,289.27
Internal Organizing		75.00	75.00	Administration fees, pension plan	6,600.00
Paradise I.D.		366.62	366.62		1,059,960.60
City of Berkeley		590.57	590.57	Other disbursements:	
Wapa		1,236.52	1,236.52	Legal fees	\$ 22,342.30
Bureau of Alameda-Gen. Neg.		30.79	30.79	Hall rentals	63,348.04
CP/ALL TELL Elko		502.07	502.07	Workmen's compensation insurance	41,438.63
Wells Rural Elect-Gen. Neg.		196.23	196.23	Refunds	6,000.90
TCI	264.56	424.89	689.45	Audit fees	16,385.00
International Union Elections	5,713.03	23,600.77	29,313.80	PRD fees	7,370.80
City of Redding	2,636.88	1,511.50	4,148.38	Charitable donations	22,300.00
A.C.		2,222.22	2,222.22	Payroll deductions - 401K, savings, credit union dues	4.99
Century-Cable	570.08	417.39	987.47	Insurance bond	1,770.00
Oakdale I.D.	88.76	424.11	512.87	Insurance-auto	46,583.00
MPTV Cable		70.72	70.72	Insurance-property	1,073.00
Nevada I.D.		404.78	404.78	Miscellaneous taxes	145.71
City of Fallon		42.57	42.57	Phone system loan to Energy Workers, Inc.	30,000.00
Western TV Cable		8.00	8.00	Miscellaneous filing fees	743.00
City of Santa Clara	1,479.52	262.17	1,741.69		259,505.37
Plumas-Sierra Rural	987.36	482.60	1,469.96	Total Disbursements	\$9,260,771.21
City of Roseville		1,232.44	1,232.44		
Asplund		2,826.15	2,826.15		
Mt. Wheeler		19.90	19.90		
City of Shasta Lake		406.79	406.79		
Foster Wheeler		196.51	196.51		
Thermalito I.D.		22.00	22.00		
Bella Vista	807.59	43.00	850.59		
	53,949.72	93,410.16	147,359.88		
PG&E Negotiating Committees:					
Departmental:					
Arbitration	\$ 1,618.57	\$ 14,967.61	\$ 16,586.18		
Interim Negotiations	5,951.18	12,484.43	18,435.61		
Diablo Canyon		206.84	206.84		
Gas servicemen	12,400.34	3,920.50	16,320.84		
Negotiations		617.83	617.83		
Re-rate		38.77	38.77		
Clerical job	668.72	760.70	1,429.42		
Misc. general office		3,647.27	3,647.27		
EMF Neg. Comm.	4,206.94	147.72	4,354.66		
G.C. Negotiations		278.59	278.59		
Transmission		382.80	382.80		
Steering Committee		62.73	62.73		
Telep Consolidated		320.02	320.02		
CNO Committee		151.79	151.79		
Relocation Clerical/Phy.		804.19	804.19		
Meter Readers		2,198.08	2,198.08		
Temp Position		521.64	521.64		
PLO		156.00	156.00		
Ad HOC		817.83	817.83		
Geysers	568.39	94.60	662.99		
Hydro/Water Dept.		14,920.68	14,920.68		
Misc. Physical		749.19	749.19		
Drug Testing		40.25	40.25		
	25,414.14	58,290.06	83,704.20		

