



Herman R. Potter, President
Mark Veach, Vice President

LOCAL 689

May 26, 2011

Mr. Leo Gerard, President
USW International Union
Five Gateway Center
Pittsburgh, PA15222

Re: Equitable Workforce Transition

Dear President Gerard:

This is to respectfully request your assistance in addressing a significant issue that is currently impacting the local USW members at the Department of Energy site located in Piketon, Ohio. If permitted a precedent would clearly impact all USW members working within the DOE complex.

DOE is currently changing contractors at the site. President Obama had committed in the attached campaign letter to ensure worker rights and continuity of equivalent benefits during this transition. The President's commitment is not being upheld by the appointed Secretary Steven Chu of the Department of Energy. The Secretary is also avoiding requirements of law in order to reduce the DOE's obligation to those workers who supported the "Cold War" efforts. The Department of Energy has clearly manipulated the federal procurement process to avoid their legal obligations to the workers at the site.

The DOE's manipulation of the process has avoided the responsibility of paying for accrued vacation time of approximately 630 USW members which would account for \$819,900. The manipulation to avoid criteria established in existing contracts have allowed for implementation of a freeze in the "Cost of Living Allowance" and Wage increases at a minimum of \$1,154,400 per year. The DOE's position of a continuity of equitable benefits will cost the USW members a minimum of \$1,080,000 per year due to an increase of insurance premiums that have increased by as much as 150%.

I do not understand how this transition has been equitable. The stated numbers do not include the increased cost due to insurance deductibles and co-pays. They do not include the increased loss that would be incurred each year due to the omission of criteria in previously negotiated contracts. They do not include the amount of loss that has impacted the salaried workers due to this transition.

I respectfully request that you consider approaching the Secretary and convince him that his direction is directly impacting President Obama's campaign promises, deviating from the intent of the transition requirements and violation of law that guarantees continuity of benefits and rights for our workers at the DOE cleanup sites.

Thank you for your consideration to this very important matter. If you have any questions or would like to discuss these issues in detail, please contact me at my office (740) 289-2405 or mobile (740) 357-4761. Thank you for your continued support.

In solidarity,

Herman R. Potter
President

cc: Kip Phillips
David McCall
David McLean

Enclosure

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

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