

SECRETARY-TREASURER'S MESSAGE

The utility industry has gone from a model of stability to one of constant change. For more than a century, the IBEW was a major force in building that stability. Through the days of wide open markets, to monopolies, to regulation and back again, we joined with management to shape the finest electrical system in the world. Now the task is to maintain that stability in uncertain times.

We want the utility industry to remain a bastion of quality employment with a strong commitment to the collective bargaining process and the industry's customers. But it hasn't been easy in the past eight years to keep the spirit of cooperation alive. Putting a \$3 billion industry in play on the open market will do that. The pressures of competition, mergers and restructuring have all placed great strain on workers and management alike.

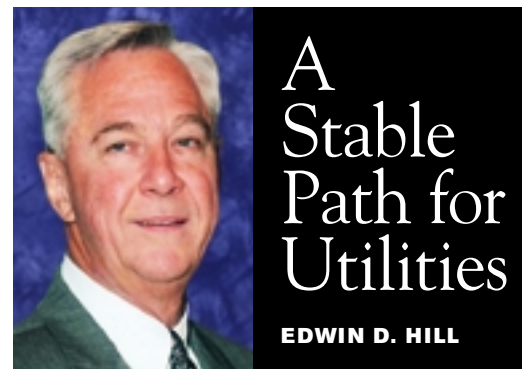
The collective bargaining agreement was the force for stability in the first 100 years of the industry and now, in the tumultuous years, it is the only hope. Only with collective bargaining can we maintain the well-trained, high quality work force necessary to maintain the reliable electric service so essential to the nation's safety and economic well-being.

We have had some successes in working with management to protect our mutual interests, even in the face of politically powerful opposition. For example, when California's Public Utility Commission denied a portion of a rate increase sought by Pacific Gas & Electric, we worked with the commissioners and PGE to craft an alternative. On the national level, there is an incentive for cooperation now that Congress has taken the first step toward approving national legislation on utility restructuring. The issue of reliability has become the driving force in the debate, and that brings a degree of anxiety about the coming summer. Another surge in prices or a major loss of service during a heat wave could steer an angry Congress to actions the industry won't like.

The IBEW is not unsympathetic to the dilemma that the open market poses for many companies. But we will fight management attempts to steer us down paths that should not be taken. For example, Puget Sound Energy—the largest investor-owned utility in the state of Washington—is flirting with disaster. PSE signaled its intent to contract out the majority of the work currently done by 2,000 unionized workers, including routine maintenance, emergency repairs, storm work and engineering. PSE calls it restructuring, but our Local 77 in Seattle sees it for what it is—a layoff. This is a textbook example of how not to proceed in the utility industry of the 21st century. A massive disruption of service and angry consumers would be the results of the wholesale dislocation of a dedicated work force.

A new world demands new ideas, and as long as we have a voice, we will join in finding the best outcome for the workers we represent, the consumers we serve and the companies with whom we partner. We are, for example, exploring a new approach to health and welfare benefits through a multi-employer plan in the utility industry. There are pitfalls, but we can promise our most conscientious study and a clearheaded decision.

Clearly, there is much to be gained—and much to be lost—for both labor and management in the uncertain terrain of restructuring. The IBEW is clear about our core mission, to protect our members. Within that mission is room to build with management a new consensus to meet new realities. ■



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IBEW Journal (ISSN: 0897-2826) Published monthly, except January/February and July/August, which are combined issues, by the International Brotherhood of Electrical Workers, 1125 15th Street, N.W., Washington, D.C. 20005-2765. Subscriptions prices in the United States and Canada, \$4 per year in advance. Periodicals postage paid at Washington, D.C., and at additional mailing offices.

POSTMASTER: Send address changes to IBEW Journal, 1125 15th St., N.W., Room 810, Washington, D.C. 20005-2765. This Journal will not be held responsible for views expressed by correspondents. Paid advertising is not accepted.

Canada Post Agreement No. 1454919