

SCAN

LOCAL 2000 | COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION OF CANADA | ISSUE NO.4

FINANCIAL CRISIS

IT'S GOOD TO BELONG TO A UNION IN TOUGH ECONOMIC TIMES

RECENT NEWS HAS NOT BEEN GOOD on the economic front. Stock prices have tumbled, layoffs are spreading and giant companies have disappeared in clouds of debt. Many of Canada's largest media companies have been especially hard hit by too-high debt levels resulting from over-ambitious owners, compounded by a deteriorating environment for advertising sales. Employees have paid the price with lost jobs and more work for those remaining. Then, to bring a crisis even closer to home, the long-term viability of a newspaper industry that employs most of Local 2000's members has been questioned by some, as more people get their news through the Internet.

What should our union do in the midst of all this doom and gloom? Do we simply throw up our hands in despair and let companies run roughshod over collective agreements that have been built up through years of solidarity? What is the best approach to take in dealing with changing technology? What power does a union really have in the face of a global financial crisis?

These are some of the questions that we attempt to answer in this edition of our newsletter.

UNDERSTANDING THE ISSUES

"The first thing to understand is how much better off we are belonging to a strong union in these troubled economic times," Local 2000 president Mike Bocking said. "Through the union there's a voice powerful enough that employers and governments will hear your concerns. And hav-

ing a collective agreement means there's a set of rules that must be followed when your company tries to save money through cutbacks or when layoffs occur for economic or technological reasons. Some of our contracts limit the pace of layoffs due to tech change and in some we have also bargained decent buyout packages.

"While we can't solve the world financial crisis, we can help soften the blows from its worst effects."

NEWSPAPERS STILL PROFITABLE

Another important point to keep in mind, Bocking says, is that newspapers are still profitable. While advertising revenues are clearly at risk if the economy deteriorates, very few of the papers that Local 2000 members work for have reported losses.

That is certainly true of Canwest, employer of over half of Local 2000's members as owner of Pacific Newspaper Group, the Times Colonist, Nanaimo Daily News and community newspapers throughout B.C. On Nov. 14 the company reported a fiscal 2008 loss of just over \$1 billion, but it made substantial profits from its newspaper operations. The company had a 2008 operating profit of \$558 million (up 13 per cent over 2007). The publishing group contributed \$294 million (up 9 per cent over 2007) of that. In the fourth quarter of fiscal 2008, Canwest newspapers had an operating profit that was just over 18 per cent of revenues (\$54.25 million on revenue of \$299.9 million).

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What is the future of printed newspapers?

WHILE THE PROPHETS OF DOOM have been predicting the demise of the printed newspaper for some time, recently announced large investments in new printing plants demonstrate that some investors believe in the future of ink and newsprint.

Bob Osipa, Local 2000 vice-president who has spent over thirty years dealing with pressroom issues, points out that the Globe and Mail in August signed an 18-year, \$1.7 billion contract with Transcontinental to print the newspaper.

"The owners obviously believe in the future of print," said Osipa, who also mentioned major investments in new plants in Winnipeg and New York. "These are smart businessmen planning to spend billions."

On the other hand, expect more change, Osipa said. Not only is technology evolving, but centralized plants printing more than one product, with highly automated mailrooms, are becoming more common.

"As a union, we must keep on top of emerging trends if we want to make sure this business continues to provide good jobs."

SCAN is the newsletter of Local 2000, Communications, Energy and Paperworkers of Canada.

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RETIREMENT

Good-bye to a cherished brother



JOHN SAVAGE, Local 2000 vice-president and former GCIU Local 25 President, has ridden off into the retirement sunset. Everyone who has worked with him, or was represented by him, know him to be a good union brother and a wonderful friend. We wish him all the best in organizing our retired sisters and brothers.

SCAN THIS!

Members are invited to submit articles, illustrations, letters, ideas and letters. Please send an email to: scan@mediaunion.ca

Gary Engler a new vice-president

CEP LOCAL 2000 HAS ONE new vice-president. At our Congress in October Gary Engler was acclaimed to the position that became vacant with the retirement of John Savage.

Engler, who was working as a news editor at the Vancouver Sun, is a long-time Local 2000 activist. He was vice-chair of the Granville Square Council for the past three

years and worked for five years as a special organizer for the National Union.

"My primary goal is to improve the communications of our local," said Engler, who will be the officer responsible for the Lower Mainland Division of Black Press, the Lower Mainland Now Newspapers, Marine Printers, three ink companies and the Sun and Province newsrooms.

Glacier bargaining produces good deals across Interior

Four-year contracts worth 2.5%, 2.5%, 2.5% and 3%

AFTER MONTHS OF BARGAINING, new collective agreements have been reached in 10 Interior cities.

All agreements are with newspapers wholly or partly owned by Glacier Media Ltd.

All provide for wage increases of 2.5% in each of the first three years (fully retroactive — in one case to Jan. 1, 2008) and 3% in the fourth year. There are also other improvements in health and welfare, pensions, mileage for delivery drivers and manning of presses.

We were also able to get a few cents per hour extra for some of the lowest paid workers at these newspapers.

"I don't think we left anything on the table," said CEP Local 2000 vice-president Bob Osipa, who assisted vice-president Rob Munro in concluding the deals after vice-president John Savage retired.

The bargaining covered 14 certifications and involved almost 500 members in Fort St. John, Dawson Creek, Prince Rupert, Prince George, Kamloops, Kelowna, Penticton, Trail, Nelson and Cranbrook.

Members of all the bargaining committees were brought together in Kelowna in February to discuss ways to get the best possible agreements in this round of bargaining. It was clear from the start that the members in each of the shops were fed up with getting settlements that were below the cost of inflation.

Bargaining took a turn for the worse

in the summer as we got every indication that the company was looking for wage settlements in the 1.5% to 2% range. We knew members needed more in order to ratify.

Another meeting of bargaining committee members was held in August and the decision made to take strike votes at the various locations. In the end, the first settlement was reached at the Prince George Citizen without a strike vote being taken. But, notice of a possible strike vote was posted prior to that bargaining session. This, along with discussions about a search for strike headquarters in some locations, certainly got the company's attention and helped get the settlement in Prince George.

Still, there were tough bargaining sessions ahead and difficult issues to resolve. 72-hour strike notices were issued during the final two rounds of bargaining.

Often, neither side wins in a strike so a negotiated settlement is usually the preferable way to go. Given the nature of the newspaper industry and the tough world economic times we're facing, these seem to be good collective agreements.

Of course, none of this would be possible without the hard work of the bargaining committees and the support given to those bargaining committees by the members.

Ratification votes are ongoing and will take until mid-December to complete.



BURNABY-COQUITLAM | The offices of the Coquitlam Now are being moved to the same Burnaby building where the Burnaby Now and Royal City Record are produced. The publisher of the Canwest-owned newspapers has assured Local 2000 members that there is no plan to amalgamate newsrooms.

ISLAND | Local 2000 members at the Nanaimo Free Press voted to accept a final offer proposal from the Canwest-owned newspaper that will see them get wage increases of 2%, 2% and 2.25% in a three-year deal. A four-deal (1.0%, 1.5%, 1.5% and 2.0%) was ratified at the Canwest-owned Campbell River Courier Islander.

B.C. | Early in the new year stewards will be collecting home E-mail addresses as part of a plan to improve union communication. In addition to a regular printed newsletter and bulletins when needed, the goal is to add a regular E-mail newsletter for stewards and infrequent electronic bulletins for all members on timely issues. The more current home E-mail addresses we collect, the better reach we will have.

UNION OFFICE | The retirement of vice-president John Savage has resulted in the juggling of assignments among officers and staff. National Rep Peter McQuade is taking over servicing duties at the Times Colonist, in the pressrooms at College Printers and the Nanaimo Daily News as well as other Vancouver Island papers. Vice-president Rob Munro takes over Interior pressrooms, while vice-president Gary Engler takes over Marine Printers and three ink suppliers.

UNION OFFICE | A committee is planning an upgrade of the Local 2000 computer server so that we can host our own website and possibly strike newspapers in the event of disputes. They are also developing a proposal for setting up a video-conferencing system that will improve communication between the union office and bargaining units around the province.

B.C. Fed supports creators of Sun parody

THE B.C. FEDERATION OF LABOUR convention unanimously passed a resolution submitted by Local 2000 and others to condemn a Canwest lawsuit against people who produced a parody edition of the Vancouver Sun in 2007. The resolution commits the federation to support the defendants in what many prominent individuals

contend is a lawsuit designed to silence critics of Canwest's lopsided support of right-wing Israeli policies.

While the company contends the suit is over copyright infringement, many Local 2000 members themselves have at one time taken part in creating parodies of the Sun, but were never sued.

CANWEST DEBT RATIO DOUBLE THAT OF ITS SMALLER COMPETITOR

FROM PAGE ONE

In fact, Canwest relies heavily on the operating profits of its newspapers to make the payments due on its \$3.6 billion in debt.

For many Canwest newspaper employees these facts raise the question of how much of its problems is due to the financial crisis or a deteriorating economy and how much is simply due to taking on too much debt when the company bought Alliance Atlantis and Southam, both at the top of the market.

"Canwest stock fell in 18 months from over \$12 per share to 70 cents, mostly because of its debt problem, not because of a deteriorating economy," said Bocking. "That is a fact the company must acknowledge and overcome if it is to survive."

The extent to which Canwest's woes are related to its debt is illustrated by comparing its stock price to that of Glacier Media, which employs almost 20 per cent of Local 2000's members at its newspapers around B.C. While the market valuation of Canwest was \$124.4 million at the close of trading on Dec. 2, the same day Glacier Media was valued at \$179.8 million, according to the Financial Post. This despite the fact Canwest owns the Global television network, many specialty channels, and big-city newspapers while Glacier's flagship properties include the Sherbrooke Record, Thunder Bay Chronicle Journal, Flin Flon Reminder, Kamloops Daily News, Prince George Citizen, Prince Rupert Daily News and the Western Producer.

The most significant difference between the two companies is that Canwest's debt-to-revenue ratio is approximately double that of Glacier's. Canwest's revenue last quarter was \$725.9 million while facing \$3.6 billion in debt, while Glacier owes \$121 million and had revenue last quarter of \$49.6 million.

MANAGING CHANGE

Still, where does recognizing the debt problem leave us when deciding how to deal with the current economic and technological environment?

"The first step is to accept that there are some issues we can deal with, such as the economic downturn and technological change," Bocking says. "Our collective agreements have provisions to deal with market slowdowns that include voluntary buyouts, layoff and severance language and manning

tables that match needed labour to the size and number of newspapers printed."

We have also discussed and negotiated, over the years, ways of dealing with technological change, one of the most difficult issues to grapple with in the work place.

Over many years and contracts, we have learned it doesn't pay to fight technological change because ultimately it wins. The better course of action is to manage its ill effects, while embracing change. This means we insist on training, on gradual rather than sudden change, and sharing the cost savings with those who become technology's victims through buyouts or other programs.

In the case of publishing on the Web our union has embraced the new technology. We encourage employers to build their Internet presence. But we insist that this embrace should not suffocate the good wages and working conditions that we have won in our print newsrooms. We argue that newspapers will build successful websites through promoting the quality of news gathering and editing. Instead of devaluing its brand through cheap content that is available anywhere or so-called reader input, we say a newspaper should report the news about a community that its readers need and want. Give the consumer a compelling reason to buy the product. This is an old formula that has withstood the test of time, but requires more good reporters and experienced editors who do not come cheaply.

ECONOMIC CRISIS EXPOSES WEAKNESS

However, while the union recognizes its role, along with the company, in managing normal market weaknesses and technological change, there are some issues for which the company's owners alone are responsible and should not be confused with market downturns or technological change.

We understand that the goal of the companies we work for is maximizing their profits. We understand that owners sometimes are too ambitious and try to expand their businesses too fast by taking on debt that the company cannot afford. An economic crisis will expose such a company's weakness and make it worse. The company will then try cut costs where it can and its workers will pay a price. Add in the uncer-

tainly that comes in an industry rocked by technological change. That is the difficult situation facing our members who work for Canwest.

It is important to note that in all the company's communications by senior officers, from owner and CEO Leonard Asper to publishing division head Dennis Skulsky, not one word was said about the challenges posed by the company's debt. "The complete silence on that issue by company officers and the owners, puts a red line under that concern," Bocking said. "Similarly, there has been no comment or discussion about possible measures to deal with a business model at the corporate level that may be in serious trouble because of high debt. I am very concerned about cuts to individual newspapers and TV stations that may weaken those organizations but will ultimately not resolve a company's structure too burdened with debt."

That structure begs many questions that the company has not discussed with us. Should some operations be sold? Does it really make sense to combine TV and newspapers in one company? Has the centralization of newspaper and TV operations created efficiencies, or has it created a command-style bureaucracy that is slow to adapt to changes in local communities and regions and stifled local and individual creativity?

We also understand that Canwest has so far chosen not to chop any jobs from its considerable management ranks and bureaucracies in Toronto and Winnipeg.

And what about the millions of dollars in bonuses paid out by Canwest to Ten TV network executives as reported by the Australian newspaper on Nov. 18?

Difficult questions, we know. And it's also difficult to sort through needed changes caused by economic weakness and technological change and those caused by an awkward corporate structure.

We hope to continue discussions with local management about ways to improve the places where we work, to make them stronger and sustainable. We hope Canwest's owners will also examine those changes it needs to make that strengthen its newspapers and TV operations and do not drain them dry through an unsustainable business model.