CWA has led the way in renewing the Labor Movement over the last six years. In 2006, we adopted the “Ready for the Future Report” and created the Strategic Industry Fund. In 2007, we added four at-large diversity members to the Executive Board.

We stopped overspending and paid back the $25 million line of credit we had accumulated. To accomplish that, we have made careful, strategic decisions about staffing and cut costs wherever we could. In 2011, after we had already frozen wages and pension accruals for non-represented employees, we bargained concessions with our nine unions. Most administrative groups are expected to do more now, but actually have fewer people to do their work.

As we all are aware, the labor movement continues to be under attack on all sides of the CWA Triangle. Bargaining has never been more challenging. Organizing new workers is not impossible, but extremely difficult. Less than half of the workers who vote to have a union succeed in negotiating a first contract. Labor law reform is desperately needed and nowhere in sight as on January 25, the U.S. District Court overruled recess appointments to the NLRB, insuring that hundreds of cases will be delayed even further, denying justice to workers in a system seemingly designed to insure unfairness.

In 2008, we were hopeful that the election of President Obama would put the nation on the path to the meaningful reform of both labor law and health care. But our hopes were disappointed as the Employee Free Choice Act died on the vine and health care reform was weakened by compromises such as the Senate eliminating the public option, even after it was supported by the House. We continue to fight at the bargaining table to slow the erosion of our members’ benefits.

In 2012, we faced a more extreme and more aggressive Republican party, bankrolled by billionaire ideologues and corporate money unleashed by the Citizens United ruling. Their offensive against workers steamrolled Indiana into right-to-work (for less) and went full throttle in Wisconsin. Despite a response from unions unlike anything seen in decades, the right-wing agenda was supported by that state’s electorate and by the courts. [Since the November election, Michigan’s Republican-led legislature passed a right-to-work law that was signed by the governor. Legislators in other Midwest and New England states have considered filing such legislation as well.]

Though the eventual Republican nominee appeared to be a moderate, it was only in comparison to his primary opponents. Romney had the anti-union agenda firmly fixed in his platform. Had he won the election, he was committed to support a federal right-to-work law built on the
Wisconsin model which could have cut our membership by a third overnight. President Obama’s was a great victory more because it slowed the right-wing momentum than for its guarantees of progressive change.

As the 113th Congress began, despite the efforts of CWA and our many allies, the Senate leadership chose not to make real changes to its rules and thereby break the logjam of legislation that has characterized Congress for the last four years. The White House did not weigh in on those rules, apparently unwilling to let go of a fading hope that bipartisanship can address our nation’s very real problems.

While we have not been satisfied with all of the results, CWA has made major commitments to developing the legislative and political capacity of our local and state operations and the strength of our national legislative work. We are broadening and deepening our union’s relationships with environmental, economic and social justice organizations to build a movement for democracy and progressive change.

So, we have done much in recent years, but there is still much more to do. Despite all the members who actively support the CWA program – contributing to COPE; phone banking and door knocking in electoral work; visiting, calling and writing letters to their elected representatives; making calls and house visits in organizing campaigns; and mobilizing in support of their bargaining committees – we are still under attack and need to do more.

We have supported and participated in important actions in Wisconsin and Ohio and the Occupy Wall Street movement as it spread to cities around the country. We have worked with each of these efforts to sustain, strengthen and spread them. But, as of yet, the progressive movement of America’s working people still has not obtained critical mass. The fires burn bright for a while, then die out before real change can be achieved.

For if we cannot make changes to the world in which we operate, the best we can hope for is that things will not get any worse than they already are. **Our current assumptions suggest that our dues revenue will continue to decline at about 4 percent per year – 20 percent over the next five years, a $15 million reduction – even as our legacy costs continue to grow.** This is not a gap that is easily plugged. We must take bold steps to make our union more effective at all levels, from local unions to the National CWA.

While many in the CWA family recognize the challenges we face, many still believe that we can rely on what has worked in the past and that our problems do not threaten our future effectiveness at all levels from the shop floor to the halls of Congress. During 2012, we have had many conversations with members and local leaders. We made presentations or gave webinars to Districts 2-13, 4, and 9, the Newspaper Guild, PPMWS, and the AFA. District, Division and Sector staff met with more locals in Districts 3, 6 and 7 and the IUE. We’ve had multiple discussions with CWA staff. After each of these conversations, we have received feedback from the participants. Since these presentations were completed, the Board has had many discussions in session and in subcommittees. Many ideas were generated. As we finalized our recommendations, we wanted to focus on what could make the most immediate difference while recognizing our capacity to change.
Proposals for the Consideration of the 74th CWA Convention

The Executive Board approved the recommendation of the following proposals:

1. **Combine the Defense Fund with the Strategic Industry Fund**
   
   - Existing monies currently in the Defense Fund will be distributed into the five existing silos (Telecom, Media, Manufacturing, Passenger Service, and Public/Health Care) and two new silos (one for Public Workers without the right to Strike and one for AFA. Funds will be apportioned to the seven silos based on membership.
   
   - Locals whose membership pays into the MRF/SIF will no longer contribute $0.50 per member, which will be retained by the Local.
   
   - Locals whose membership does not pay into the MRF/SIF will continue to contribute $0.50 per member. These monies will be directed into their respective silo each month.
   
   - SIF requests shall be submitted on a request form with an itemized budget similar to the one used for Defense Fund Grants. The request must be reviewed and approved by majority vote of the Executive Board and the Defense Fund Oversight Committee. Requests will be funded out of the appropriate silo(s).
   
   - Strike-related expenses that are now covered under the Defense Fund would be covered under the Members’ Relief Fund. Members’ Relief guidelines will be revised to incorporate relevant Defense Fund rules.
   
   - Defense Fund Oversight Committee responsibilities shall be expanded to include participation in the approval and evaluation of active SIF projects.
   
   - An additional half percent drawn from the SIF reserve shall be utilized to add a dedicated SIF project coordinator in D.C. who would work with the Secretary-Treasurer and Defense Fund Oversight Committee to properly review, audit, manage, and evaluate projects.
   
   - The Defense Fund Oversight Committee participated in the development of this proposal and supports its passage by the delegates to the 74th CWA Convention.
Rationale

The Strategic Industry Fund has been critical to what CWA has been able to do over the last six years. Political and legislative organizing, member education and mobilization for negotiations have achieved significant results because CWA has had access to these resources.

While the Defense Fund supports some projects similar to those funded by the SIF, most applications for Defense Fund grants are primarily focused on collective bargaining fights, generally at the point of a strike or in protracted negotiations where an agreement may be very hard to achieve.

While more than 95 percent of CWA members contribute to the Defense Fund, not all of those members contribute to the MRF/SIF. Public Sector members who do not have the right to strike and AFA-CWA members do not contribute to the MRF/SIF and have not been able to formulate projects and request funding under the SIF rules. Nor have they been able to participate in broad, union-wide, SIF-funded projects.

By combining the Defense Fund with the SIF, we can establish two additional SIF silos for those in the union who have not been participating in the SIF, thus enabling these members to benefit from all the types of projects that other segments of the union have participated in. The money currently in the Defense Fund will be apportioned across the seven silos by the percentage of membership.

Going forward, the two newly-created SIF silos (Public Sector without the right to strike and AFA-CWA) will be funded with continued Defense Fund contributions of 50¢ per member per month from those members who work in those units.

The five current SIF silos (Telecom, Media, Manufacturing, Passenger Service, and Public Sector/Health Care) will continue to be funded with the MRF/SIF contribution as they have been. However, under this recommendation, these locals will no longer pay the Defense Fund the 50¢ per member per month that they pay today.

The Defense Fund Oversight Committee will have a role in the approval, oversight and evaluation of SIF projects so that CWA can identify model projects and spread the word about successful approaches to our work.
2. **Beginning with the Annual Investment Earnings from the 2012 calendar year, and going forward, one half of annual investment earnings from the MRF will be invested in building CWA’s ability to fight for economic justice for our members.**

- Funds shall be used for programs such as:
  - A Leadership Development Program for rank-and-file leaders and staff.
  - To develop the union’s research capabilities to provide tools to fight for the members.
  - To develop in-house industry research analysis on an ongoing basis.

- The remaining investment returns will continue to accrue to the MRF.

- When the MRF reserves reach $500 million, the floor shall be raised to $400 million.

- Should the MRF reserve fall below the current floor, all investment returns shall go to the MRF until it is above the floor.

- **The Defense Fund Oversight Committee participated in the development of this proposal and supports its passage by the delegates to the 74th CWA Convention.**

**Rationale**

CWA’s work gets more difficult every day. With changes in the economy overall as well as in all of our industrial sectors, our employers seek cuts and concessions whenever they come to the negotiating table. The political climate makes the task even more difficult.

This proposal would free CWA to fund projects which, while essential to better represent and lead fight back campaigns, cannot otherwise be afforded by locals or the International.

Funds would be used for programs such as staff and local leader training in new areas including movement building and coalition activities, political and legislative work as well as specialized training in collective bargaining, benefits and arbitration.

Creation of more complete and up-to-date analysis of the industries in which our members work will provide leaders and members with clear and realistic understandings of our industries and employers, including their financial results, plans for the future and comparisons of benefit plans. These will all affect the environment for our union in collective bargaining, politics and legislation and in their impact on the union’s finances.
These analyses will flow into collective bargaining, training and other materials and information for use in member education and mobilization activities.

This proposal would fund activities with a portion of the annual returns earned by the investment of the Members’ Relief Fund. The proposal includes safeguards to insure that the diversion of investment earnings will cease if the MRF balance falls below the floor level of $377 million which was established for the Fund at the outset. In addition, once the MRF grows to exceed $500 million, the floor will be increased to $400 million.
3. **Establish a Minimum Size for Locals**

**CWA Constitutional Proposal – Amend Article XIII to add new Section 3 and renumber the remaining sections.**

Article XIII, Section 3 – Minimum Local Size

a) Beginning on August 1, 2014, all CWA locals shall comprise at least one hundred (100) actively employed individuals represented by the local and eligible for membership in the local.

b) The CWA Secretary-Treasurer will notify no later than July 1, 2013, each local where the record indicates that for ninety (90) consecutive days the local has less than one hundred (100) actively employed individuals represented and eligible for membership.

c) Additional locals that do not meet the minimum size requirement after July 1, 2013, will be notified by the CWA Secretary-Treasurer.

d) Any local that does not meet the requirements of Section 3(a) as of August 1, 2014, shall be notified by the CWA Secretary-Treasurer that their local charter shall automatically be revoked without the hearing under Article XIII, Section 6, thirty (30) days after August 1, 2014.

e) After August 1, 2014, the charter of any local that fails to meet the requirements of Section 3(a) for ninety consecutive days shall be automatically revoked one hundred and twenty days after the date upon which the local failed to meet the requirements of Section 3(a).

f) The charter jurisdiction of any local whose charter is revoked shall be reassigned to another CWA local in accordance with Article XIII, Section 3(a).

g) Exceptions to this requirement may be presented to the Secretary-Treasurer for good cause if supported by a written request from the District or Sector Vice President or Executive Officer demonstrating that the local satisfied certain minimum standards established by the CWA Executive Board. Such good cause exemption will be good for a period of one year from the date of approval and must be resubmitted annually.

h) Where good cause exists, no forced merger of locals with less than one hundred (100) represented workers will take place without the express consent of the appropriate Vice President or Executive Officer.

i) If the Secretary-Treasurer determines that good cause has not been demonstrated, the issue will be submitted to and decided upon by the CWA Executive Board.
Renumbering

- Current Section 3 to Section 4
- Current Section 4 to Section 5
- Current Section 5 to Section 6
- Current Section 6 to Section 7
- Current Section 7 to Section 8
- Current Section 8 to Section 9
- Current Section 9 to Section 10
- Current Section 10 to Section 11
- Current Section 11 to Section 12
- Current Section 12 to Section 13

Rationale

After discussions with local leaders and members over the past year about ways to increase the Union’s effectiveness, improve its finances and improve its bargaining power, the CWA Executive Board concluded that establishing a minimum local size would significantly advance these goals and objectives. More than 40 percent of CWA’s locals are very small, with 384 locals representing 15,522 individuals at the end of January 2013. Within that group, 327 locals have between 1 and 75 represented employees and 57 locals have between 75 and 100. Discussions with local officers and staff, as well as careful review of CWA records, indicates that local size is often a key factor affecting whether a local can meet its constitutional and bargaining responsibilities and advance the Union’s goals and objectives.

Despite the best efforts of local leaders and members, the financial burdens faced by smaller locals often mean that they are not able to participate in CWA Conventions, District or Sector or Division meetings and other union meetings and events [such as officer or stewards training] or to actively recruit sufficient volunteers to engage in union leadership tasks or participate in ongoing operations of the local. Such burdens may often make it difficult to timely satisfy the local’s statutory, administrative and accounting obligations, including preparing and filing annual reports and financial statements.

In addition, it is often not possible for CWA staff to provide the necessary, ongoing assistance to smaller locals, especially in geographic areas where demands for such assistance are great and the number of staff available is small.

After careful evaluation of these facts and the issues raised in communications with local leaders about these issues, the CWA Executive Board concluded that a minimum local size of at least one hundred (100) actively employed individuals represented by the local and eligible for membership in the local will ensure that the Union is best able to carry out its mission. The Board also has concluded that a minimum local size will help locals meet all of the obligations set forth in the CWA Constitution, including the specific responsibilities referenced in Article
XIII. Accordingly, the Executive Board is submitting a proposed constitutional amendment to accomplish this objective.

To give Locals and District Vice Presidents, Division and Sector Presidents or Executive Officers and staff time to assist with implementing this new requirement, the Executive Board has proposed that the minimum local size obligation not go into effect until August 1, 2014. During the interim period, locals will be encouraged to evaluate possible merger partnerships based on community of interest, distance and geography or other unique factors so that a smooth transition can take place in time to plan for the 2014 local election cycle. CWA staff will be asked to provide assistance to locals within their Districts and Sectors so that such transitions are effectuated smoothly and with the best interests of all concerned in mind.

The CWA Executive Board also recognizes that there may be locals with fewer than one hundred actively employed members, which are nonetheless highly effective and able to respond to members’ needs and actively participate in larger Union meetings, projects and activities. In recognition of that fact, the Board has determined that the appropriate regional District Vice President, Division or Sector President or Executive Officer should have the authority to request a “good cause” exemption to the minimum 100 member local size requirement. The Board will establish the details of this “good cause” policy in the next few weeks, which will then be communicated.
4. **Constitutional Amendment – Article XXIV – Proxy Voting**

**CWA Constitutional Proposal – Amend Article XXIV – Proxy Voting**

There shall be no voting by proxy, except that a Local composed of less than 200 members may assign the vote to a delegate from another Local attending the Convention. No Local shall be allowed to vote more than one such assignment commencing with the 2015 CWA Convention.

**Rationale**

One indication of a fully functional local union is convention attendance. Small locals are often unable to attend conventions or send members to officers and stewards training.

Based on statistics on CWA Convention attendance from 2004 to 2011, more than 38 percent of the 392 locals representing fewer than 100 employees attended NONE of these eight conventions. Only 11 percent of these locals attended all eight. Of the 559 locals representing 100 or more employees, more than 54 percent attended all eight conventions and only 5 percent missed them all.

During these eight conventions, a few locals held the proxies of a relatively small number of other locals who were not in attendance. Between 2004 and 2011, the number of locals being represented by proxy ranged from a low of 14 out of 682 (2.1%) in 2004 to 49 of 771 in 2006 (6.4%). Proxies averaged 4.6 percent of locals across all eight conventions.

Eliminating proxy representation by another local union will encourage locals to attend the CWA Convention. The convention is the highest governing body of our Union and thus it is important that locals attend to represent their members. If a local cannot represent its members by attendance at convention for economic reasons, it should recognize that its size, and the financial limitations that result, are undercutting their ability to effectively represent their membership.
5. **Bargaining Councils in Telecom**

The following is an amendment to the CWA Constitution adding a new section under Article XVII – Collective Bargaining. It was drafted by the CWA Vice Presidents who represent members working within the telecom industry.

**Article XVII Collective Bargaining**

**Section 3 – Bargaining Councils In Telecom (New Section)**

a) The Convention or the Executive Board shall establish Bargaining Councils. Bargaining councils will formulate bargaining programs and agendas to apply to a single employer with bargaining units that cross District or Sector lines, associated employers or a numbers of employers, but limited to those agendas and programs affecting bargaining units represented on a bargaining council. The Executive Board shall be responsible for the development of bargaining programs for those units or groups for which bargaining councils have not been established.

b) Bargaining councils shall comprise one representative from each local having members in bargaining units of the bargaining council, and they shall be certified to the President of the Union.

c) The bargaining councils will designate certain issues as “National Issues.” To be so designated, an issue must affect CWA-represented workers in multiple CWA districts/sectors.

d) The bargaining resolution of a National Issue requires the agreement of all District/Sector Vice Presidents of CWA districts/sectors with at least one constituent local with a representative on the bargaining council.

e) National Issues shall remain so designated unless all the District/Sector Vice Presidents of all CWA districts/sectors with at least one constituent local with a representative on the bargaining council decide otherwise.

f) No District/Sector Vice President may unilaterally accept, change and/or delete any proposal, issue, and/or agenda items designated a National Issue by the bargaining council unless all District/Sector Vice Presidents so agree or the President of the Union overrules the Vice Presidents and so agrees.

g) District/Sector Vice Presidents may not authorize or approve a collective bargaining agreement containing a National Issue if the resolution of that National Issue has not been agreed to by all the District/Sector Vice Presidents with at least one constituent local with a representative on the bargaining council.
h) If the relevant District /Sector Vice Presidents are unable to reach agreement on the resolution of a National Issue, only the President of CWA can end the impasse and decide how to deal with the issue.

i) At meetings of the bargaining council, local representatives shall vote by a show of hands except that upon the request of twenty percent (20%) of the delegates the vote shall be per capita (based on the number of members of the local in bargaining units of the bargaining council). All necessary expenses of the local’s bargaining council members shall be borne by the local. The officers of the Union and members of the Executive Board may be appointed members of a bargaining council as determined by the Convention or the Executive Board.

j) Bargaining councils shall meet at the call of the President of the Union. The President may, with the approval of the Executive Board, designate a person to work with the bargaining council, and the President or the President’s designee shall be the Chair of all bargaining council meetings.

Renumber current Section 3 to Section 4

**Rationale**

Declining collective bargaining coverage in the United States has made the process more difficult than at any time in the last 85 years, particularly in the private sector. Experience has clearly shown that in the telecommunications industry, collective bargaining entailing multiple contracts with a single employer which crosses constitutionally established District boundaries requires meaningful coordination and cooperation. Currently, the assistant to the Telecom and Technology Vice President has coordinated the bargaining for AT&T Mobility, working as assigned by the President and the Executive Board. This coordination between the districts and enhanced coordination amongst the three principle occupational groups of retail customer service and technical workers is essential.

In order to maximize the power of our membership, such coordination should work toward achieving that no bargaining unit or sector with multiple bargaining units under a single employer will accept an agreement that the other bargaining units could not accept. This will ensure that the employer cannot unilaterally establish a pattern and demand that the other bargaining units or sectors accept the same agreement.

The only way to defeat this “pattern setter” form of bargaining is to approach negotiations as a completely unified force. To that end, we would propose certain constitutional changes and certain agreements between the Districts and the Telecommunications Sector to approach multiple units bargaining in the telecommunications industry.

We propose:

- That bargaining councils are mandatory in telecommunications.
- That these bargaining councils determine the issues that cross bargaining unit lines “National Issues.”
• That whenever possible the “National Issues” will be negotiated at a single table with representatives from each District and the Sector.
• That any change, deletion or agreement on a “National Issue” or a complete contract must be agreed to by all the Vice Presidents of the District and Sector, and if they can’t agree, the President of CWA will make the decision.
• All bargaining units will be free to do whatever they choose on issues other than those designated as “National Issues” by the bargaining council.
• The President will designate one of the affected Vice Presidents to serve as spokesperson or chair for each set of negotiations.
• The President’s office will be responsible for the setting up of the bargaining council meeting.
BOARD ACTIONS AND DECISIONS

Listed below are a number of Executive Board actions which can proceed without requiring convention action. Some are already in process while others require additional work to get underway.

1. Revenue and Expenses
   - Based on the low level of support for a dues increase of any kind, we recommend no dues increase.
   - Simplify our dues processes to be as simple and efficient as possible. A new dues system is in the final stages of development now. This new system will both streamline and expand the capabilities of our existing systems and make many new features available to local unions.

2. Structure
   - Continue a more aggressive approach to holding ALL locals accountable for their obligations under the Constitution. The Secretary-Treasurer’s office has already begun tracking locals’ success in meeting key requirements under the CWA Constitution including:
     - Maintaining current dues payments
     - Completing annual audits and financial reports
     - Filing legally required reports with the U.S. Dept. of Labor
     - Filing IRS-required tax and political spending reports
     - Filing by-laws, rules and any changes in those documents with the National Union
     - Bonding of local officers
   - Establish a process to evaluate the effectiveness of our structure specific to representing members, i.e., Avaya and AT&T Mobility.

3. Funding and Staffing Priorities
   - Discuss size and number of bargaining teams along with wage and expense processes.
   - Determine consequences or actions for administrative units that are consistently over or under budget.
   - Determine new criteria for staffing requests.
4. **Recognizing the Need to Reallocate Representational Responsibilities Between Local and National Unions**

- Locals recognized that the roles played by CWA staff will need to change over time to adapt to additional demands in political mobilization and movement building. Many leaders also saw the need for additional training both for themselves and for staff in areas which will become more important as we build our power through coalitions with other progressive organizations.

- Different kinds of services are required to support the wide variety of bargaining units represented by CWA locals. Some local leaders note that their locals already handle all grievances, arbitrations and bargaining for at least some of the units they represent. Others expressed a willingness to take on additional responsibilities for smaller units in particular.

- The Executive Board will continue to develop ideas which will encourage locals to take on additional duties that they have, in the past, relied on staff to perform.