

## Unions, grocers agree

Workers at Giant, Safeway overwhelmingly accept 4-year pact

By Andrea K. Walker | Sun reporter

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Union employees at Giant Food and [Safeway](#) supermarkets in the Baltimore-Washington area voted overwhelmingly yesterday to approve a new four-year contract that largely preserves health care benefits and includes wage increases.

Members of the United Food and Commercial Workers Union Locals 400 and 27, which represents more than 23,000 workers, voted in separate meetings yesterday at the Baltimore Convention Center and the D.C. Armory.

As workers streamed out of the convention center after voting, many seemed surprised - and relieved - that they were able to hang onto company-paid health care.

Many said they had been concerned that the companies would extract givebacks, especially in health care, to be able to better compete against nonunion competitors that include discounters like [Wal-Mart](#) and higher-end stores such as Wegmans - especially at a time when the economy is slowing.

"It is a better contract than we got last time," said Ron Boone, a 23-year Safeway veteran who works as a meat cutter in Carroll County. "We didn't lose anything, which is a miracle."

Under the terms of the new contract, existing workers will continue to pay nothing toward health insurance premiums, according to a copy of the contract provided by the union. Annual deductibles will increase by \$100 to \$300.

New employees, who have a waiting period before they become eligible for health care, will pay \$5 per week in premiums.

All workers also got raises of \$1.50 an hour over four years.

The contract calls for a one-time, 11.5 percent cut in the supermarkets' projected cost for retiree health coverage. Buddy Mays, president of Local 27, said he believes the union will be able to negotiate packages with health care providers to make up the gap.

Until this weekend, union and grocery negotiators had been deeply divided over key issues, negotiating until early Sunday morning. The contract expired at midnight Saturday.

Among the disagreements were proposals by the supermarkets to require employees to pay 10 percent of health premium costs, increase retiree co-pays by 5 percent to 25 percent and make Sunday a regular workday. Sunday is treated as a holiday for which workers receive extra pay, such as double time, depending on their seniority.

Mays said the negotiations were rough but that he was satisfied with the final proposal.

"It was the richest contract bargained in the retail food industry for a very long time," Mays said.

The supermarkets also seemed pleased with the outcome.

"Both sides moved very substantially in their positions, but that's what you would expect in good bargaining," said Harry Burton, the lead negotiator for Giant and Safeway.

In a statement, Giant, which has been struggling to reverse a sales decline, said the agreement would help the chain maintain its lead in the market.

"Giant has a proud tradition as a union company. Our goal was to reach agreements with terms that will allow us to remain the leading supermarket in our marketplace," it said. "We believe these new contracts meet that goal."

A spokesman for Safeway declined to comment.

One labor expert said that the supermarkets probably gave ground because of the risk of losing customers in a strike.

"The companies are not interested in creating a strike in a competitive environment because there are other places for people to go," said Bill Barry, head of the labor studies department at the Community College of Baltimore County.

The nation's last supermarket strike - in California in 2003 - resulted in \$2.5 billion in lost revenue for the grocers, which included Safeway as well as Albertsons Inc. and [Kroger Co.](#)

Among Local 400 members, the contract won unanimous approval from Giant workers and about 95 percent from Safeway employees. More than 93 percent of Local 27 Giant workers approved the contract, while about 88 percent of that local's Safeway workers supported the contract.

"I think it's a good contract," said Mike Shetterly, a dairy worker who has worked at Safeway for 28 years. "We didn't lose anything and we got money. We got to keep our benefits. People don't know what that means in today's times."

"They got us the best contract they could get us, given the way the world is today," said Shirley Smith, 50, a 21-year Giant veteran who works as a cashier in Annapolis. "I have no complaints."

But not everybody was pleased. Patrick Monaghan, a deli and produce clerk at a Safeway in [Ellicott City](#), said the contract preserved a two-tier system established four years ago that penalizes new hires.

Monaghan, who has worked at Safeway since February of last year, said he makes \$8.75 an hour and won't be eligible for health benefits until this summer. "I'm on the wrong tier," he said. "The last contract was built on the back of new hires to pay for benefits for top seniority."

One of the biggest concerns among employees was the supermarkets' proposal to make Sunday a regular workday. Employees who work most Sundays said that would have cost them a substantial part of their income.

"It's a big difference when you work Sunday," said Erin Cavin, who works in the deli in [aGlen Burnie](#) Giant. "They eliminate that pay and it's not even worth it. You might as well find a new job."

[andrea.walker@baltsun.com](mailto:andrea.walker@baltsun.com)