

Ladies and Gentlemen,

On 10 May, 2008, the members of Local Lodge 449 received a "Power-Point" presentation from a representative of our Southeast Regional Office. This presentation showed approximately a 35% decline in IAM membership over the past few years. It also provided brief and unclear language surrounding measures the Grand Lodge has attempted to implement in order to bring our International finances in check. The representative simply informed the membership that he could not debate the information, but in the opinion of the Grand Lodge, their proactive measures have failed, and since there has been no percentage increase in dues since 1977; a standard increase in dues to 2% internationally should do the trick.

The presentation, followed by questions that could not be answered, is hardly sufficient for any local lodge to make an educated, counter proposal to the Grand Lodge's original 2% proposal. After doing a little research of our own, we have found a financial document (Form LM-2, Labor Organization Annual Report), found on the U.S. Department of Labor website, and one that was not offered to the membership during that 10 May briefing. After looking at this report some may think the Internationals spending practices for the year of 2007 could be thought of as completely out of control according and may have been so for many years if we are have that much financial difficulty.

Page four of that report showed more than 20 million dollars dolled out in "Contributions, Gifts, and Grants" alone in 2007. Here are just a few:

- \$5000 to "The Funniest Celebrity In Washington Charitable FD"
- \$5000 to "Project Liberty Ship"
- \$5000 to the "Cradle of Liberty Council, Boy Scouts of America"
- \$5000 to the "NAACP"
- \$7500 to the "Jewish Labor Committee"
- \$5000 to the "United Steel Workers"
- \$25,000 to the "Vietnam Veterans Museum"

Now , why the above may be worthy causes for those with unlimited resources, they are unjustified for a union that is supposedly \$25 million in the red. If this is truly our financial position, the Grand Lodge has no business authorizing expenditures of this type, and then asking the working man or women to come up with even more money. This is only a small portion; it gets worse...

On page 113 of the same Labor Organization Report, more than \$320 thousand was spent at Eden Roc Resort and Spa and at the Hyatt Regency in Washington D.C from May trough July of 2007 for conferences. In addition, several hundred thousand dollars was spent on an aircraft that the Grand Lodge apparently owns or leases. We spent more than \$199 thousand for aviation fuel; \$81 thousand for aviation maintenance; and another \$20 thousand for aircraft insurance. And folks, this is just the tip of the iceberg... This 192 page report covers all cost for 2007, and much of it will have you turning numerous shades of red. If a proposed 2% increase in dues will help maintain this level of service to our I.A.M members, this is a level of service we can certainly live without.

The real solution to our financial woes begins with a rewrite of certain articles of our Constitution. Article V, page 30, lines 24-34 laid a foundation for uncontrolled spending. The elements within these lines are so broad, that almost any and every expenditure imaginable could be justified in some form and fashion as; "in the interest and for the benefit of the I.A.M and its members." In order to survive, we must define the "interest and benefit for the I.A.M and its members", and be able to stack it up against a standard. That standard must be the I.A.M's "Platform", pages ii thru iv of our Constitution. Ever distribution and expenditure of the Grand Lodge all the way down to a Local Lodge must be weighed against that Platform. If it supports it, it's justified. If not, can it! Therefore, as a start, we need to change line 34 of Article V to read as follows:

"...the I.A.M. and its members, as long as the distribution and expenditure meet the elements of the I.A.M.'s Platform on pages ii thru iv."

Next, if the International has not established an annual budget, they certainly need to. Short of justified strikes and arbitration, all other expenditures need "caps"; especially on charitable and social contributions. In addition, maintaining and utilizing a private jet in this day and age can not be justified with today's economy and also on what is being asked of the membership with the increase to 2%. Are our executives too good to fly "first-class" on airlines or charter a private jet for a meeting? With the price of fuel going through the roof, this is an annual expenditure that must surely come to a halt.

And finally, our current level of service must improve. We are talking about the effort Business Representatives put into negotiations and arbitrations. If it's respect we desire, we need to ensure that the cases that are taken to arbitration are warranted, and flawless in presentation. If the Grand Lodge requires more money, then the Business Reps have to negotiate higher wages for the working class. No amount of "wining and dining" interest groups or lobbyist can replace a well trained and highly motivated Business Representative. If the Grand Lodge does not have a Matrix in place to analyze the performance of all business representatives internationally, maybe we need to develop one.