

Voice on the Job

pensions

**union
members
live
better**
voice on the job

IT'S REALLY THAT SIMPLE.

JOB SECURITY

Healthcare
overtime pay

The
**United Tobacco
Alliance**
for a **Voice** *and*
Freedom

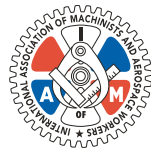
job security

PENSIONS

healthcare

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The **UNITED TOBACCO ALLIANCE for a Voice and Freedom (UTA)**

is a partnership between the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) and the International Association of Machinists and Aerospace Workers (IAM).

This partnership was formed after workers at Reynolds American requested the participation of both International unions to form a Union in Winston-Salem. Combined, the two unions bring the strength and solidarity of more than 800,000 union members across North America, including more than 9,000 workers in the U.S. tobacco industry.

What gives this Partnership its Strength?

The strength of the United Tobacco Alliance lies within its long history of representing tobacco workers throughout North America. The BCTGM first organized tobacco workers more than 100 years ago. The IAM has long represented the highly-skilled craft workers in cigarette-manufacturing plants in the United States. Together, BCTGM and IAM collective bargaining agreements have helped make their tobacco membership among the highest paid manufacturing workers in the world.

British American Tobacco

In July 2004, RJ Reynolds merged with Brown & Williamson, a subsidiary of European-based British American Tobacco (BAT). After the completion of the merger, BAT emerged with a 42% ownership stake in the newly created Reynolds American. As part of the merger agreement, BAT is insulated from all tobacco-related litigation and associated costs in the United States. In addition, BAT was given the right to designate five of the 10 nominees to the Reynolds American Board of Directors. BAT executive Susan Ivey was named Chief Executive Officer of Reynolds, and in January 2006, she also became Reynolds' Chairman of the Board. Other BAT executives have taken key positions within Reynolds. While BAT cannot acquire the rest of Reynolds stock for 10 years, it effectively controls the company as its largest shareholder. BAT is one of the largest tobacco companies in the world, with 2004 sales of \$58 billion. The Company has more than 85 facilities around the globe which produce such brands as *DuMaurier*, *Benson & Hedges*, *Viceroy*, and *Rothmans*.

The BCTGM and the IAM have actively lobbied U.S. politicians at the federal and state levels of government on behalf of their tobacco membership.

On an International level, the BCTGM is an affiliate of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) connecting North America's unionized workers with those unionized tobacco workers throughout the world. The IUF Tobacco Group specifically works on behalf of tobacco workers and issues facing the industry on a global level.

Lastly, and most importantly, the BCTGM and the IAM share a common vision: that workers who want to form a union so they can have a voice at work, should be given the best opportunity of doing so. This partnership gives workers at Reynolds American that chance.



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Unionization in the Tobacco Industry

The vast majority of tobacco workers in North America belong to a union. The BCTGM and the IAM represent workers at Philip Morris USA plants in Concord, N.C. and Richmond, Va. Additionally, the BCTGM and IAM represent workers at Liggett Tobacco Company, National Tobacco Company and Swisher International. The BCTGM represents tobacco workers at Lorillard Tobacco in Greensboro, N.C. as well as workers at Commonwealth Brands in Reidsville, N.C. In Canada, the BCTGM represents workers at Japan Tobacco International and Rothman tobacco facilities in Quebec.

We have a very productive relationship with these companies that allow for a win-win situation.

Internationally, Unions represent tobacco workers in Europe, South America, Africa and Asia. Specifically, workers at British American Tobacco plants in Brazil, Argentina, the UK, Ireland, the Netherlands, Germany, Italy, Russia, Ukraine, Nigeria, Kenya, South Africa, Malaysia, Japan, Australia are all represented by Unions.

Why a Union

Everyone wants to have smooth working relationships on the job. But problems arise in every workplace. Without a union, workers must try to resolve these problems by themselves, dealing directly with a supervisor or manager who has complete authority over them and the situation. Whether the problem concerns fair pay, a scheduling issue, a problem with benefits, favoritism or seniority, a non-union worker is at the mercy of their supervisor's interpretation of the situation. With a Union Contract, wages, benefits, and conditions of work are spelled out in a collective bargaining agreement so that disputes get resolved in a fair and impartial manner, and problems of favoritism and discrimination are eliminated.



The Union and How it Works

Unions organize working people to work together to achieve common goals in the workplace. Through the union we negotiate a collective bargaining agreement, or a "contract" between the workers and management. Everything that is in the contract is protected by federal law and cannot be changed, altered or eliminated by the Employer during the course of the agreement.

The Union Contract

Your contract is negotiated with management by a bargaining committee made up of fellow workers you select. Every member has a right to make suggestions about what should be in the contract and what the proposals should look like. Contracts typically cover such rights and benefits as: pay levels and pay raises; healthcare coverage; due process in discipline; retirement benefits; paid time off for vacations and holidays; clear and impartial procedure for job-bidding; a grievance procedure; and health and safety rules.

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The Union Difference



Pensions

As important as Social Security is, it only provides a guaranteed minimum income. That is a survival plan, not a retirement plan. Workers who work hard to produce the products that make their companies profitable deserve to retire with dignity and respect. It is for this reason that we negotiate defined benefit pension plans—where workers receive a guaranteed monthly benefit. Defined benefit pension plans provide guaranteed income security to workers for their retirement; no matter what happens in the stock market, how long an employee lives after retirement, or whether he or she becomes disabled. Only 16 percent of non-union workers have this type of plan, compared to 70 percent of unionized workers. To compliment this pension plan, we also negotiate defined-contribution plans, like 401(k) savings plans. Defined-contribution plans like 401(k) plans do not have any insurance and expose you, among other things, to the risks of stock market ups and downs. Plans like 401(k)s may financially benefit a worker in retirement, however, they are not a defined benefit pension plan which provides a retired member with guaranteed income.

Healthcare

While companies in the United States continue to push more of the healthcare cost burden onto employees, the majority of unionized workers in the country enjoy company funded healthcare plans. According to the Bureau of Labor Statistics, union workers are more likely than their non-union counterparts to receive healthcare. In 2004, 89 percent of union workers in private industry participated in medical care benefits, compared with only 67 percent of non-union workers. Union workers also are more likely to have a retirement medical plan and short-term disability benefits.

Overtime Pay

As a union member, you will have the right to propose and negotiate language in your collective bargaining agreement to address issues related to overtime. These contract provisions particularly address seniority rules as well as mandatory overtime situations where the employer wants to force workers to work the additional hours under the threat of disciplinary measures when workers refuse. This contract language is designed to put some limits and restrictions on the employer's ability to make working overtime hours mandatory while still permitting workers to make a voluntary choice to accept an offer to work additional hours.

Issues the Company May Raise

Once the Company finds out you want a union, they will likely do all they can to talk you out of it. Below are a few issues the Company is likely to raise. Here is the candid truth:

Job Security

The simple fact is, in a global economy no job is 100% secure; not blue collar, white collar, or executive. However, a union contract does offer workers some protections in the event of plant closings. In the majority of contracts, the company must negotiate with the union to determine when the plant will close, who may get transferred to other locations, and what kind of



severance package can be agreed upon. When tobacco plants close because of a global economy, union workers have benefited from some of the highest severance packages ever negotiated—in any industry. WHY? Because they have a voice in their fate thanks to the union contract they helped negotiate.

We also work with government officials at the local, state and federal level to keep work in place. The reality is, whether a plant is unionized has little relevance as to whether a plant will be closed or not. What is relevant is you'll have a union contract that defines such issues as job portability, severance pay, and future job training. Non-union workers are simply left in the cold when a company decides to shut down.

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Dues

Simply put, union members pool their dues money together to obtain a personal level of representation, service and protection very few individuals could possibly afford on their own. Generally, what it costs a union member in dues is paid back many times over by higher wages, union-negotiated, company-paid pension and health benefits, and other services. Our members work hard for every dollar they make and thus have an absolute right to know how their dues money is being spent. That is why we have a very strict system of checks and cross-checks to prevent fraud and abuse.

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Strikes

Strikes receive plenty of media focus, but the reality is it is very unlikely you will ever choose to go on strike. While there are times when workers feel they must take a stand and defend their rights, it is always the union members who vote on whether or not they want to strike. No one can order a strike against the will of a majority of members. In fact, our Constitutions require that *at least* a two-thirds majority of members approve the vote to strike.

In the tobacco industry, the majority of union contracts offer an alternative to strikes or lockouts. If a collective bargaining agreement cannot be reached, an arbitrator is brought in to resolve the issues. The choice of what type of system to have is up to the membership. Both the BCTGM and the IAM have historically negotiated 98-99% of their union contracts without a strike.



the union and you

Your Legal Rights During an Organizing Campaign

Did you know there are federal laws in place to protect workers interested in forming a Union? It's true. You may be surprised to learn that many activities, some even on company property, are completely protected by our federal government.

- ▶ **YOU HAVE THE RIGHT** to participate in meetings to discuss joining a Union.
- ▶ **YOU HAVE THE RIGHT** to distribute Union flyers and brochures in non-work areas during breaks and lunch.
- ▶ **YOU HAVE THE RIGHT** to wear Union buttons, stickers, T-shirts and hats to show your colors.
- ▶ **YOU HAVE THE RIGHT** to sign a union membership card and demand company recognition of the Union.
- ▶ **YOU HAVE THE RIGHT** to petition and join together with co-workers to protest unfair treatment or demand improvements in wages, hours or working conditions.
- ▶ **YOU HAVE THE RIGHT** to organize fellow employees, support the Union, and distribute literature and membership cards to be signed.
- ▶ **YOU HAVE THE RIGHT** to file complaints against your company.

United States National Labor Relations Act

SECTION 7 "Employees shall have the right to self-organization, to form, join or assist labor organizations, to bargain collectively through representation of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining..."

What CANNOT Happen During an Organizing Drive

- ▶ YOU CANNOT be fired, laid-off, disciplined, harassed, transferred or reassigned for supporting a Union.
- ▶ YOUR BOSS CANNOT favor employees who oppose the Union over ones who support it. This includes promotions and special treatment.
- ▶ YOUR BOSS CANNOT threaten to close your plant or take away benefits because you and co-workers support joining a Union.
- ▶ YOUR BOSS CANNOT promise raises or other favorable treatment if you oppose joining a Union.
- ▶ YOUR BOSS CANNOT ask you your opinion of the Union.

United States National Labor Relations Act

SECTION 8 (a) *"It shall be an unfair labor practice for an employer... to interfere with, restrain or coerce employees in the exercise of rights guaranteed in Section 7..."*



About the BCTGM International Union

The Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) represents more than 107,000 workers in the United States and Canada. BCTGM members produce some of the most iconic brands in North America, including Oreo and Chips Ahoy cookies, Saltine crackers, Kellogg and General Mills cereals, Milkbone dog biscuits, and Hershey chocolates.



The Bakery and Confectionery Workers International Union (B&C) was one of the pioneers of the American labor movement, organizing in 1886. The Tobacco Workers International Union was founded in 1895 and merged with the B&C in 1978. The American Federation of Grain Millers also dates back to the late 1800's and merged with the Bakery, Confectionery & Tobacco Workers (BC&T) in 1999. For 120 years, workers have found a voice in the workplace through the BCTGM.

The BCTGM has historically represented workers in North America's premier tobacco manufacturing, processing and packaging facilities including Philip Morris USA, Brown and Williamson, National Tobacco Company, Swisher International, Liggett Tobacco Co., Lorillard Tobacco, Commonwealth Brands, Rothman Tobacco and Japan Tobacco International.

Healthcare

Overtime Pay

About the IAM

The International Association of Machinists and Aerospace Workers (IAM) was founded in Atlanta, Georgia in 1888. Today, the IAM is one of America's largest industrial unions with almost 730,000 members. It's one of the few unions founded in the South.

You'll find Machinists at the heart of the U.S. economy. Heavily concentrated in the skilled trades and manufacturing, IAM members build fighter jets, commercial airplanes, launch the Space Shuttle and keep our military strong.

The IAM also represents workers in more than 200 basic industries, including air and rail transportation, shipbuilding, aerospace, electronics, woodworkers and the local, state and federal government sector.

The IAM has a long history representing America's tobacco workers in major companies such as Philip Morris, Brown and Williamson, National Tobacco Company, Swisher International and the Liggett Group.



PENSIONS

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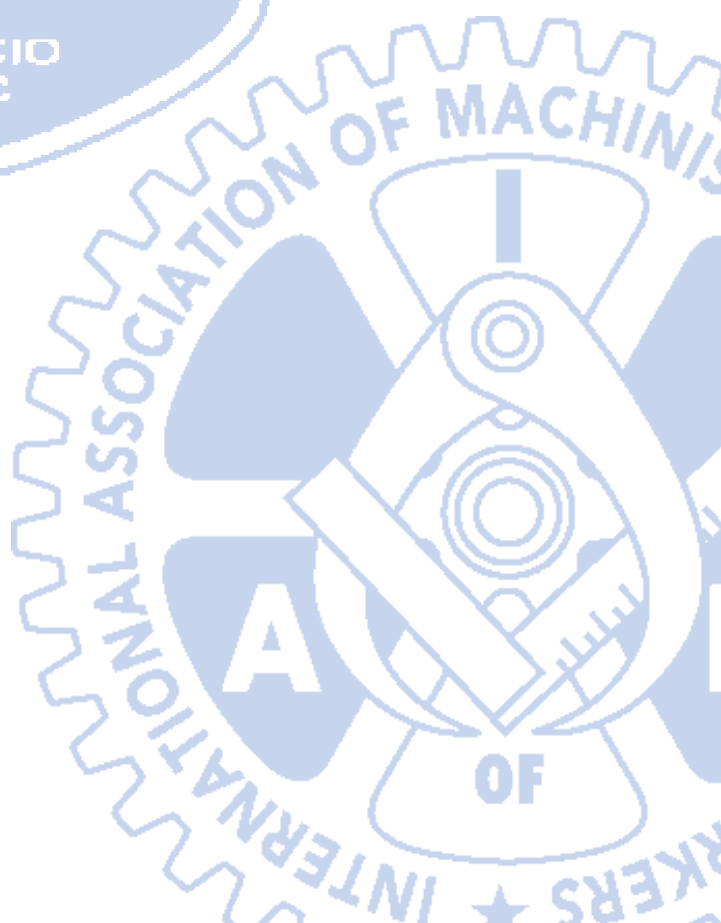
BAKERY

CONFECTIONERY

B
CTGM
UNION
MADE

**TOBACCO WORKERS
& GRAIN MILLERS**

**AFL-CIO
CLC**

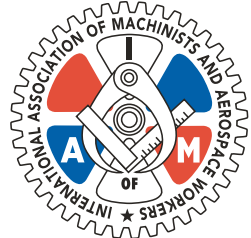


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