

**Report of the  
Defense Fund Oversight Committee  
to the 79<sup>th</sup> Convention**

**CWA**

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**Communications Workers of America  
St Louis, MO  
July 10-12, 2023**

**Report of the  
Defense Fund Oversight Committee  
July 2023**

Through resolutions and rules adopted by various CWA conventions, the Defense Fund Oversight Committee (DFOC) is charged with the responsibility to review activities associated with the Robert Lilja Members' Relief Fund (RLMRF), the Strategic Industry Fund (SIF), and the Growth Fund (GF). The DFOC is authorized to examine receipts, disbursements, investments, and the administrative policies associated with the funds. The DFOC may also, with a two-thirds vote, affirm CWA Executive Board actions that are consistent with the rules governing those funds. The DFOC is required to report its findings to each CWA Convention and make recommendations to the Convention where appropriate. The DFOC also issues a report at the Biennial Presidents meeting.

DFOC met November 14-16, 2022, and May 1-3, 2023, in Washington, D.C. The DFOC reviewed new grant requests approved by the Executive Board as well as reallocations, extensions, evaluations, and other emergent issues during our regularly scheduled weekly meetings every Friday. The committee also reviewed activities associated with The Robert Lilja Members' Relief Fund (RLMRF), Strategic Industry Fund (SIF), and Growth Fund (GF).

On May 2, 2023, John Marco from the Segal-Marco Consulting Group (SMCG) met with us to review his report on investments for the period ending March 2023. We also reviewed the written report from Investment Performance Services (IPS) regarding the performance of our investment manager.

**I. INVESTMENTS**

According to rules established at the 2019 CWA Convention, all earnings in the RLMRF are moved and split equally between the SIF and GF. (Under the prior rules one-half of the earnings in the RLMRF were moved to the GF.) In 2021 investment returns were \$24,600,000 and distributed according to the directives in Resolution One of the 77<sup>th</sup> Convention. Distributions were made to the SIF and GF and for affiliation dues to the AFL-CIO. In 2022 investment losses were \$47,349,951 therefore no distributions were made to the SIF and GF. However, \$6,000,000 was paid from the RLMRF for affiliation dues to the AFL-CIO.

According to RLMRF guidelines, when the RLMRF's assets fall below \$400 million, one half of the investment earnings are retained by the RLMRF. When the fund's assets fall below the floor of \$377,484,108, the quarter hour of dues that would otherwise be sent to the SIF and GF is retained by the RLMRF. Once the target floor balance is achieved, the quarter hour of dues is redirected to the SIF and GF, and the RLMRF's growth is fueled by investment returns and asset appreciation. When the RLMRF reserves reach \$500,000,000, the floor will be raised to \$400,000,000.

## **II. THE ROBERT LILJA MEMBERS' RELIEF FUND**

### **Loans**

\$40,400,000 Interest-only Loan to CWA, all interest payments are up to date. There are no provisions in the loan agreement to pay down the principal currently.

\$35,000,000 Line of Credit to CWA to date, only \$100,000 has been used.

### **Mortgages**

The DFOC reviewed the current mortgages to locals held by the RLMRF. All mortgages are current. The fund is the first lien holder, and loans may be up to 80% of current appraised value with a clear title. Mortgages as of April 30, 2023, are:

<b>Local</b>	<b>Current Balance</b>	<b>Original Loan Amount</b>
1038	\$130,949.22	\$212,000.00
1133	82,293.90	997,986.67
2108	227,084.31	698,000.00
3105	28,436.15	35,000.00
3112	14,132.56	25,000.00
3412	9,620.28	15,200.00
3706	191,959.64	196,000.00
4100	159,730.90	334,000.00
4340	492,872.01	722,578.39
7803	27,348.06	190,000.00
9003	248,081.49	303,246.24
9415	132,331.52	200,000.00
9509	320,955.59	850,000.00
9510	213,544.99	250,000.00
9586	555,564.68	600,000.00
9588	159,073.45	200,000.00
81455	254,247.78	260,000.00
83770	158,158.64	210,000.00
<b>TOTAL</b>	<b>\$3,406,385.17</b>	<b>\$6,299,011.30</b>

### **Expenditures — March 1, 2022 – April 30, 2023**

#### **Strikes/Heroes of Collective Bargaining**

During this period, there was one strike and no heroes of collective bargaining allocations.

#### **Strike Related Expenditures:**

Pittsburgh Post Gazette – Local 14827 \$171,300.00

Pittsburgh Post Gazette – Local 14842 \$222,633.63

Pittsburgh Post Gazette – Local 38061 \$504,600.00

**The balance of the RLMRF as of April 30, 2023, was \$400,065,551.**

### **III. STRATEGIC INDUSTRY FUND (SIF)**

The Strategic Industry Fund campaigns approved by the Executive Board and the DFOC continue to increase our leverage at the bargaining table and advance our major policy initiatives. Since we began approving SIF allocations in 2006, we have funded many successful projects and continue to incorporate insights from each project into our project management practices.

The campaigns operate with specific budgets and clear, measurable benchmarks with six-month evaluations. We currently have eighty-four active SIF campaigns. The SIF also provides funds for the SMART program discussed later in this report.

NOTE: Any member wishing to review a SIF report should contact the Secretary-Treasurer's office.

#### **SIF INCOME and EXPENSES as of April 30, 2023:**

Total Income, since inception September 2006	\$397,287,191
Total Expenses, since inception September 2006	\$311,114,340
Allocated SIF Balance	\$33,544,311
Allocated SMART Balance	\$18,320,484
Unallocated SIF Balance	\$34,308,057

**The balance of the Strategic Industry Fund as of April 30, 2023, was \$86,740,574.**

### **IV. GROWTH FUND (GF)**

At the 74<sup>th</sup> CWA Convention held in April 2013, the delegates approved this committee's recommendation for the establishment of the Growth Fund, which uses one half of the RLMRF's annual earnings to invest in campaigns that have the potential to change the course of our movement and our nation. With the establishment of the Growth Fund, the Defense Fund Oversight Committee's responsibilities were expanded to include participation, with the Executive Board, in the approval and evaluation of Growth Fund requests.

The Growth Fund supports and enhances the Union's movement building, organizing, leadership development, research, industry analysis and efforts to achieve economic justice. The Growth Fund can be used to hire staff needed to launch new campaigns and support existing efforts.

The campaigns operate with specific budgets and clear, measurable benchmarks with six-month evaluations. We currently have thirty active Growth Fund campaigns.

NOTE: Any member wishing to review a Growth Fund report should contact the Secretary-Treasurer's office

#### **Growth Fund INCOME and EXPENSES as of April 30, 2023:**

Total Income	\$145,612,841
Total Allocated	\$116,633,061
Total Unallocated	\$28,979,780

**The balance of the Growth Fund as of April 30, 2023, was \$49,474,636.**

## **V. Support Members and Rebuild Together (SMART) Resolution**

At our last convention, delegates passed the SMART resolution to hire twenty-eight staff using the members' dues and investment income to serve us at the front lines in contract negotiations, administering contracts, and organizing to achieve our goals.

Since the last convention, twenty-eight staff members have been hired and are serving our members. In addition, the general fund budget includes a proposal for the hiring of an additional twenty-five staff in various parts of the union.

The funding of the twenty-eight positions requires semi-annual reporting to the DFOC and a review and reauthorization to continue or modify funding from the SIF by the CWA Convention the year after the membership target of 500,000 is achieved.

In an emergency, and with unanimous approval of the Defense Fund Oversight Committee, rather than the usual two-thirds, CWA may spend up to an additional 10% of the Strategic Industry Fund balance on General Fund needs. Emergencies shall include FEMA-declared natural disasters, pandemics, national loss of fair share fees, or other unforeseen situations that cause a significant sustained loss of income and impair CWA's ability to serve members.

## **VI. Our Mission**

The DFOC was created to oversee the Robert Lilja Members' Relief Fund (RLMRF), and later assumed oversight responsibility for the Strategic Industry Fund (SIF), and the Growth Fund (GF). The delegates, elected by the members, through convention action, have entrusted us to support our collective goal of achieving better contracts. In the past, that meant striking. The MRF was designed to support strikes by minimizing the hardships placed on our members. We soon realized that we could achieve our goals without a strike if we acted smarter by acting strategically. This led to the establishment of the SIF to fund strategic organizing, membership mobilization and political leverage to achieve good results at the bargaining table without striking, and the Growth Fund for building a better bargaining climate by promoting innovative approaches in building a movement for economic justice and democracy that supports growth in our union and the labor movement. In addition, this investment in growth is designed to find organizing targets in an ever-changing economy our members and union must adapt to.

We understand that the goal of all these funds is to get the best contracts we can for our members. A strike is not an end; it is a means to an end. Our goal is a great contract that offers our members the economic security they deserve for the contributions they make to the enterprises that employ them.

## **VII. CWA Strategies to Fight and Win**

During these unprecedented times, CWA has been a leader and innovator when it comes to meeting our current membership's needs and reaching out to people who need union representation.

### **Project Updates**

As part of its role overseeing the Growth and/or Strategic Industry Fund grants, our Committee reviews the periodic and final reports that are required for each project or campaign. This process

helps us to ensure, as best we can, that our Union's money is spent wisely. Many of the projects are great successes, and help us win better contracts, defeat vicious anti-union campaigns, organize new members, or achieve justice. Sadly, sometimes we fail. However, it is important that we learn from these failures. Therefore, the DFOC believes that it is vital that CWA establish a more formalized system for determining which methods are most successful in achieving the goals set forth in each type of project, and then utilize these Best Practices to the maximum extent possible in the future. Given the large and continually growing list of SIF and Growth projects, this Committee will be consulting with our Union's leadership to set up an effective methodology to help us win going forward.

## **IUE – GE Manufacturing Reinvestment Campaign**

Video: <https://www.facebook.com/watch/?v=826304528630026>

In advance of the June 2023 expiration of the General Electric Contract, this campaign sought to change the power dynamic between the union and GE, to convince GE to stop offshoring our work, and to encourage the company to invest in American manufacturing at our union-represented sites.

On Tuesday, April 18, 2023, an overwhelming majority of IUE-CWA members at General Electric (GE) voted to ratify a two-year extension of their national collective bargaining agreement with the company. Under this extension, the workers secured a 12 percent general wage increase and successorship language that will preserve 85 years of hard-fought gains through GE's planned spin-off into two separate companies.

The workers also retained their existing healthcare, retirement, and other benefits without any concessions. The contractual gains, including the unprecedented general wage increase during a cost-of-living crisis and the successorship clause, which will protect the workers' contract rights and union recognition after GE splits in 2024, are a testament to the members' consistent mobilization throughout the bargaining provided by the GE Manufacturing Reinvestment Campaign.

Now that the extension has been ratified, the workers are determined to continue to mobilize as they are set to return to the table in 2025 to fight for a fair contract on a stronger footing.

## **Women in Manufacturing Program**

The IUE-CWA Women in Manufacturing Program supports Women's Committees across IUE-CWA. The program is designed to educate and train IUE-CWA Women's Chairs in topics ranging from Union history to Internal organizing and to support and encourage the work of Women's committees at the Local. Since inception, the number of active Women's committees within IUE-CWA has more than tripled. Many of the program participants have run for Local Union offices, from alternate steward to Local president. The work that our Women's committees do at the Local increases the Local's footprint in the community, gets our Union sisters involved in the movement, and builds unity in the Local membership. From holiday parties and charitable fundraisers to Strike actions and the GE Campaign, the IUE-CWA Women's committees are showing up for the work!!

## **Tower Climbers Union/CWA**

Video: <https://fb.watch/ljcl3nOT6y/>

The overall goal of this project is to organize the tower climbers in the incredibly fissured and fragmented wireless tower industry. Due to the nature of the industry, unionization and worker voice is nonexistent, which has resulted in an industry with a deadly health and safety record, poverty wages, and horrible working conditions. SIF funding has been pivotal in getting this campaign off the ground and achieving some early success. Achievements to date include:

- We recruited and trained an Organizing Committee of long-time workers and advocates who helped implement and lead the campaign. We have a solid and committed group of fourteen rank and file workers who are meeting regularly and collaborating to build the union.
- We signed up almost three hundred Founding Members of the Tower Climbers Union/CWA. These are workers who paid \$20 to join the initial effort. We have since shifted tactics. We are building a non-majority, dues-paying Local. Our plan is to launch the Local on July 4 as Local 9424 with more than 125 monthly dues paying members.
- We have had a tremendous social media presence. We started a Facebook group for TCU/CWA that currently has 1,700 members. We have reached over 27,000 people on Facebook and Instagram with a 54% engagement rate. We have added over 1200 new members to the Facebook group in the last 6 months, the vast majority of these being rank and file tower technicians.
- We established CWA as a major player in the industry. We are seen as the union of tower technicians. We have had significant press coverage of our actions and developments and have put employer organizations on notice. They correctly see us as a threat to the unjust way they have organized this industry - and as a promise of changes to come.
- We developed a Tower Technician Safety Survey to solicit information from frontline workers on the safety issues in the industry. This is a significant achievement, as rank and file workers have never been asked for their perspectives on safety on the job.
- We took the report from our safety survey, and several TCU/CWA member leaders, to the 2023 shareholders meetings of Verizon and Crown Castle to demand a meeting with the CEO's. The CEO's agreed to our demand and we have meetings set up with Verizon, Crown Castle, and AT&T executives at the end of June to discuss how to improve the industry. This will be the first time that these companies have ever sat down with tower technicians, now proud CWA members, to hear what kind of change workers want to see in the industry.

### **CWA Apple Bargaining Team Update**

After making CWA wait more than five months after sending our letter of intent to bargain, we finally began bargaining for Apple Retail Workers in Oklahoma City in May 2023. We presented twenty-eight proposals in the first two-day session initially, and we believed there were very good conversations and dialogue about our proposals for Seniority, Vacation, Grievances, Arbitration, and Surplus & Layoff protections. And after our first two-day session we all felt the team worked incredibly well together and gave many firsthand examples of issues in the store our proposals would fix.

We went into our June session optimistic we would be receiving back counter proposals to find some common ground, but instead we were met with an onslaught of questions about Seniority, and how they do not believe it will work in their culture. Our favorite part was how if they agreed to Seniority and Job Vacancy language, it would hurt their diversity in the store. All you must do is google their executive leadership to see how diverse this Company is! NOT

We did get back six of our twenty-eight proposals in counters that gutted our original language

and intent, as well as having them present a terrible managers rights proposal!

So, after our June session, we have since sent two RFI requests to focus on diversity and call them out on their bullshit.

The Company has only agreed to give CWA two days per month through October 2023 at the moment, but we plan to continue to make the most of our time at the table and will not stop till we get what these workers deserve, a fair contract!

### **District 9 Frontier Strike**

The Strategic Industry Fund provided the resources necessary to build a strong mobilization and communication structure for the eight Frontier California Locals. With a strong structure in place, we were able to develop a strong, educated, organized workforce to support the bargaining team and their efforts at the table. We engaged our members in strategic mobilization activities designed to protect their jobs.

Our goal was to use both an internal and external campaign to apply pressure on Frontier Communications so that we would be successful in obtaining a good contract. Our mobilizations pushed Frontier management to do what it needed to do to invest in the network, build out broadband in underserved communities, and provide excellent service to win back and grow its customer base.

We utilized social media, industry research and education to put CWA D9 on offense by building the union internally and externally that would build a movement for economic justice and democracy. We not only mobilized our membership, but we also engaged our allies, affiliates, legislators, and coalition partners in support of our program for good jobs, network investment and quality service.

CWA D9 secured a fair and just contract through member engagement, education, mobilization actions, community allies and legislative support. We were able to protect CWA members job security, healthcare, wages, pensions, safety, and other benefits.

### **AFA Achievements Made Possible Through Funding**

Minimum 10 hours, non-reducible rest for domestic flying has been implemented as an FAA regulation to the benefit of all Flight Attendants.

Legislatively, our efforts are ongoing with the FAA bill. We continue to work to get several priorities in the bill and, to date, have been successful in keeping out the items that were threats to our jobs or benefits. All the work that has been accomplished over the past two years is paying off. Having said this, we are not done until we get the bill passed this fall.

On the organizing front, the Delta campaign has grown internally, and we have support from across the labor movement. The visible show of support with people wearing buttons, passing out campaign info, etc. have all been foundationally instrumental in this growth. We have a coalition with the Machinists and Teamsters. Of note, the pilots are also supportive for the first time in history. And, of significance, we have community support in Atlanta that never existed before.

As this organizing movement at Delta has grown, we have also been able to conduct rapid response to more than two dozen "investigations" of our activists where all issues have resulted



in no discipline and, in some cases, have further affirmed our rights to organize at Delta.

The SkyWest campaign is growing, which is a significant accomplishment in that we have never been able to break through before at this company.

### **Unity@Mobility Phase 6**

Unity@Mobility began as a project designed to get workers in the ATT Mobility unit to be active in their CWA Locals and to build bargaining power within the unit. In Unity@Mobility Phase 6 – we continue to be organizing, mobilizing, and training.

This phase of Unity@Mobility began as the 2022 Orange Mobility CBA was being ratified and at the six-month mark (January 2023), the Black Mobility CBA bargaining team, notably led by Staff who are members from within the Mobility Unit, was supported by Unity trained activists being used as mobilizers resulting in a ground-breaking Agreement negotiated on-time and overwhelmingly ratified. In addition, the Campaign Leads on this SIF, have been targeting low performing Locals (low density, no activism) resulting in increased density and improved interest among Local leaders.

This Phase of the SIF has taken on extra importance with the addition of Work From Home (WFH) job titles in AT&T Mobility. We are reaching the WFH members by having them attend virtual training, which is a helpful tool for building unity among the WFH membership. Using this SIF, Local leaders are working with District Staff Coordinators to maintain a level of trained members, activists, and stewards. As we have always done with Unity@Mobility, the issues-based approach teaches our members about their rights and their place in CWA and in the Labor community.

### **FCC Ruling on TEGNA**

In the Media Silo, a SIF grant helped score a major victory for journalists and media workers.

The NewsGuild-CWA and NABET-CWA helped thwart a hedge fund's attempted takeover of local news, and they also set a groundbreaking precedent at the Federal Communications Commission. Working with public interest groups, leaders of those CWA sectors filed objections and convinced the FCC to look at the impact on jobs in the proposed deal between hedge fund Standard General and local news broadcaster TEGNA. As a result of those efforts, the Commission ordered further scrutiny of the highly complex deal, setting a precedent that job losses will be considered in the future when Wall Street firms try similar tactics that have invariably led to severe cuts in newspaper and broadcasting Newsrooms across the nation.

In May, TEGNA terminated its merger agreement with Standard General, and an administrative law judge at the FCC dismissed the matter in a hearing in early June.

### **NewsGuild-CWA Bargaining**

In another mobilizing effort partially funded by the SIF, workers at The New York Times ratified a historic contract, sealing in raises between 10.6% to 12.5%, lump sum bonuses of 7%, the right to remote work, a four-week sabbatical, additional holidays, a salary floor of \$65,000 for every full-time worker, and much more. With no givebacks!

The NewsGuild-CWA has scored huge successes in organizing thousands of new members over the past few years, assisted by grants from the SIF and Growth Funds, and winning new contracts

in dozens of places across the country. Since January 2021, The NewsGuild has ratified fifty-seven first contracts and added more than 1300 new dues paying members. And most recently, the NewsGuild of NY won the longest digital media strike against *Insider* with a first contract that advances an industry standard minimum salary of \$65,000 per year and includes raises of over 10% during the term of the contract, \$400,000 in healthcare reimbursements, and just cause without exception.

## **VIII. Recommendations**

We must adapt to the ever-changing bargaining environment; we need current and accurate information that will maximize our ability to achieve bargaining goals and avoid strikes by utilizing the Strategic Industry Fund (SIF), increase our bargaining power by building our membership and political power with our Growth Fund (GF), and support strikers with our Robert Lilja Member Relief Fund (RLMRF).

Therefore, the Defense Fund Oversight Committee (DFOC) submits for the delegates' approval the following proposals that will assist the DFOC in better assessing CWA's strategies using these funds to empower our members and achieve better contracts.

First, we need to assess our strategic planning for strikes. Therefore, we ask the delegates to direct the Trustees of these funds to provide to the DFOC on an annual basis starting in January 2024 a report listing bargaining units with at least 1,000 members whose contracts are set to expire in each of the next three years. The report shall include an analysis of the potential cost per week of strike benefits plus COBRA/healthcare reimbursements for the current full membership of each unit.

Second, starting in January 2024 and on an annual basis, the Trustees of these funds will provide to the DFOC a written rationale for their investment strategy to ensure funds will be available in the RLMRF if strike benefits are needed while also maximizing funding for the SIF and GF.

Third, the monthly interest payments on the internal loan on our building and line of credit are currently being distributed to the SIF and GF. They shall, effective January 2024, be excluded from the annual calculation of investment returns and remain in the RLMRF, unless by a two thirds vote of both the Executive Board and the DFOC agree it be moved into the combined income stream.

Finally, at our last convention a delegate made a motion, which was a resolution that each Local receive a payment of \$25 for every member who pays the one quarter hour into the Robert Lilja Members Relief Fund. The calculation would be based on the number of members at the time of the last Convention. The payment was to be made in fiscal year 2021 – 2022.

There was then a subsequent motion to refer the resolution to the DFOC, which has oversight of the RLMRF, to analyze the proposal's financial impact to the fund, and to report back to the Convention. The delegates passed this second motion.

The DFOC discussed this matter extensively and given the poor investment returns last year and our current proximity to the \$400,000,000 soft floor, we do not believe it is advisable to make such a payment.

## **VIII. Conclusion**

The DFOC wishes to thank Mary Catucci and Elizabeth Wilks for their assistance in preparing this report and their support in conducting the business of the DFOC throughout the year.

Respectfully Submitted,

The Defense Fund Oversight Committee

Ken McNamara,	District 1	Monica Alvarado,	District 9
James Gardler,	District 2-13	Arthur Cheliotos,	PHEW - Chair
Keith Patterson,	District 3	John Lewis,	IUE-CWA
Gary Kundrat,	District 4	Jeffrey Heisey,	Airline Sector
Nancy Brown,	District 6	Bill O'Meara,	Media Sector
Cecilia Valdez,	District 7 – Vice Chair		