

Report of the Defense Fund Oversight Committee to the 80th Convention



**Communications Workers of America
Pittsburgh, PA
August 11-12, 2025**

**Report of the
Defense Fund Oversight Committee
July 2025**

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 18 – 20, 2024 and April 28 – 30, 2025 in Washington D.C. The DFOC reviewed new grant requests approved by the Executive Board as well as reallocations, extension, evaluations, and other emergent issues during our regularly scheduled weekly meetings held 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 April 29, 2025 John Marco from the Segal-Marco Consulting Group (SMCG) met with us to review his report on investments for the period ending March 31, 2025.

THE ROBERT LILJA MEMBERS' RELIEF FUND

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.) The distribution of \$13,500,000 was made for the 2023 investment returns in early 2024 and distributed according to the directives in Resolution One of the 77th Convention. The distribution of \$7,500,000, which is half of the 2024 investment returns, was delayed in order to preserve the soft floor of the MRF.

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.

Loans

The balance of the MRF Loan to the CWA General Fund stands at

\$39,763,646.30 as of February 25, 2025 with all payments current to date. While there are no provisions in the loan agreement requiring the re-payment of the principal balance, payments have been made to reduce the principal by \$504,390.65.

Mortgage Loans to Locals

The DFOC reviewed the current Mortgage Loans to Locals held by the RLMRF. All mortgages are current. The fund is the first lien holder. Loans may be up to 80% of current appraised value with a clear title.

Mortgage Balances as of February 28, 2025 are:

Local	Current Balance	Original Loan Amount
1038	\$102,935.03	\$212,000.00
2108	\$127,715.98	\$698,000.00
3105	\$24,696.68	\$35,000.00
3106	\$40,741.10	\$50,000.00
3112	\$10,849.09	\$25,000.00
3412	\$7,725.21	\$15,200.00
3706	\$185,217.66	\$196,000.00
4100	\$119,381.21	\$334,000.00
4340	\$406,305.62	\$722,578.39
9003	\$232,268.38	\$303,246.24
9415	\$109,148.48	\$200,000.00
9509	\$102,807.67	\$850,000.00
9510	\$202,242.89	\$250,000.00
9586	\$531,215.75	\$600,000.00
9588	\$147,930.84	\$200,000.00
81455	\$245,274.39	\$260,000.00
83770	\$137,288.06	\$210,000.00
TOTAL	\$2,733,744.04	\$5,161,024.63

Expenditures — March 1, 2024 – February 28, 2025

Strikes/Heroes of Collective Bargaining

During this period, there were four strikes and four Heroes of Collective Bargaining allocations.

Strike Related Expenditures:

Employer	Local	Amount
AT&T	Various	\$14,512,371.54
Pittsburgh Post Gazette	14827	\$216,105.84

Pittsburgh Post Gazette	14842	\$381,829.80
Pittsburgh Post Gazette	38061	\$880,964.91
HOCB - Distrokid	51016	\$234,000.00
HOCB - Nexstar Media - WKBN	54047	\$14,000.00
HOCB - Gray Media - WNEM-TV	54048	\$14,000.00
HOCB - Nexstar Media - KDVR	57052	\$46,000.00

The balance of the RLMRF as of February 28, 2025, was \$400,518,029.

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, as of 2/28/2025, have seventy-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 February 28, 2025:

Total Income, since inception September 2006	\$422,134,312
Total Expenses, since inception September 2006	\$376,472,435
Allocated SIF Balance	\$20,114,200
Allocated SMART Balance	\$8,759,706
Unallocated SIF Balance	\$16,787,972

The balance of the Strategic Industry Fund as of February 28, 2025, was \$46,501,496.

GROWTH FUND (GF)

At the 74th CWA Convention held in April 2013, the delegates approved this Committee's recommendation for the establishment of the Growth Fund, which allocated 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-one 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 February 28, 2025:

Total Income*	\$165,725,496
Total Allocated	\$160,022,681
Total Unallocated	\$5,702,815

*Exclusive of investment gains/losses

The balance of the Growth Fund as of February 28, 2025, was \$28,365,572.

Support Members and Rebuild Together (SMART) Resolution

At the 2021 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.

Twenty-eight staff members have been hired and are serving our members.

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.

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.

Accomplishments

SIF E35: District 3 AT&T Contract Negotiations

This SIF provided support to 15,000 AT&T wireline workers in District 3 who entered into contract negotiations in 2024. The SIF project supported building a district-wide mobilization structure across nine states, all right-to-work states, with state, local and worksite coordinators to implement a strategic internal education program with documented mobilization objectives. These efforts garnered community support, local media attention, and regional press coverage which strengthened broad-based support from allied organizations. Coordination of efforts with District 6 created opportunities for informational picketing at AT&T Headquarters. All of these coordinated efforts resulted in sustaining a ULP strike for 31 days with 95% participation through the end of the strike. The end result was a strong tentative agreement for a five-year contract providing a 19.33% compounded wage increase for employees at every job site while lowering medical costs and accomplishing numerous contract improvements. Specific upfront wage increases for machine operators and Wire Technicians were additional accomplishments. The tentative agreement was ratified with an 81% approval rating overall.

SIF 492: LEAN Manufacturing Phase 5

Video: vimeo.com/watchcwa/lean

The IUE-CWA LEAN High-Performance SIF Program is designed to protect and grow employment at our represented manufacturers by enabling them to compete in an increasingly global market. Unlike corporate-side LEAN programs which are done at the expense of workers, our unique approach utilizes the strengths and experience of our members to increase efficiency and reduce waste, without sacrificing health and safety. Our initial classes at each facility focus on buy-in and culture change, empowering our members to take ownership of the process. Our LEAN experts then do workshops with members on the factory floor to “Lean out” the processes. Management teams sign agreements that the LEAN process will not result in the loss of any Union jobs. In fact, in most facilities, the program results in higher employment levels and new lines of work.

Over the phases of this SIF program, the IUE-CWA Lean Team has worked with over 40 represented employers at over 45 locations, training thousands of members and completing hundreds of floor-level workshops and new product line deployments. At every location, our team has found significant savings, which translates into power at the bargaining table and often expansion of the bargaining unit. From Lockheed Martin to Trane, from Mahle Behr to Siemens, our LEAN Program has made a tremendous difference.

One of our most successful locations to date has been GE (Haier) Appliance Park, in Louisville, Ky. When they agreed to our LEAN program terms, the site

was down to 1,500 employees and had been slated for possible closure. Now that site has over 5,000 employees and continues to expand. Management openly credits the IUE-CWA LEAN program with the turnaround success.

Thousands of IUE-CWA members would not be employed today without the IUE-CWA LEAN Program. Senior Campaign Lead Mike Mayes and his team of Local member technicians work every day to empower our membership and protect our future!

SIF 290 Building News Guild Local Capacity

Focusing exclusively on the work done by the people whose wages were made possible via reimbursement under this project, the impact is most clearly seen across the Guild, collectively, since January 2021. We have brought in 4,257 new members from 117 shops under contract and they pay per capitas. An additional fifteen (15) contracts have recently been settled and we will soon add another 1,000 members to the dues-paying ranks! All of these accomplishments, for which we are grateful, reflect the success of this investment.

SIF 726 – AFA-CWA Bargaining and Organizing Campaign Research

Through the resources provided by this SIF, our AFA-CWA members have gained immensely from the contributions of a corporate campaign researcher to supplement our internal and external organizing. These resources have allowed us to respond with “rapid fire” pressure on the airlines which has significantly helped us to create the leverage needed to get United Airlines to seriously bargain. Further, this effort has assisted in not only building the case for Delta workers to organize but has forced the regional industry to put money on the table for boarding pay – a significant step in raising standards and chipping away at the tiers within the industry. This kicked in with the Alaska Airlines contract and we are but weeks away from others due to the now serious engagement at the bargaining table.

Proposal to Modify Distribution of Earnings and the MRF Floor

The CWA Executive Board approached the DFOC with a proposal to lower the MRF Floors and modify the distribution of earnings with the intent to provide a more consistent revenue stream to the SIF and Growth Funds. The proposal would also allow an increase in strike benefits.

The DFOC did not agree with the initial proposal of the Executive Board. However, discussion with and action by the DFOC, brought forward an acceptable compromise change which is accurately represented by the “CWA Unbreakable” Resolution before you at this convention.

Specifically, the DFOC suggested that the new “floors” be set at \$350 million (soft floor) and \$325 million (hard floor), rather than the \$325/\$300 contained in the Executive

Board's original proposal. The DFOC believes this more conservative approach will allow CWA to continue the vital work being done by SIF and Growth Fund projects, while helping to preserve the original purpose of the MRF which is to provide strike benefits. Projections by our financial advisor showed this approach to be appropriate.

The Executive Board also agreed to provide the DFOC with a budget showing how the annual contributions to the SIF and Growth Funds will be allocated for projects each year.

Additionally, the DFOC requested additional opportunities for oversight and the Executive Board agreed to this oversight.

As a result of these changes, by a 2/3 majority, the DFOC voted to support the Executive Board's proposal to lower the MRF floors and to increase strike benefits, which is possible largely because we now have fewer members eligible to receive strike pay.

Conclusion

The DFOC wishes to acknowledge and thank Mary Catucci and her staff for 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	Robin Blair-Batte	PHEW
Al Guillory	District 3	John Lewis	IUE-CWA-Co-Chair
Gary Kundrat	District 4	Jeffrey Heisey	Airline Sector
Nancy Brown	District 6	Bill O'Meara	Media Sector
Cecilia Valdez	District 7 – Chair		