



Dominick's Negotiations Update

For UFCW Local 881 and 1546 Members

Contract negotiations between Locals 881 and 1546 and Dominick's/Safeway on behalf of the affected membership are ongoing. Pension funding has become the biggest issue due to our nation's economic downturn and major losses in the stock market. While wages are still a factor, the instability of the financial markets and the effects on pensions has led to contract talks stretching out throughout the last several months.

Specifically, the challenge centers on adequate funding of our pension plans while having enough money left over for other economic improvements like health care and wages. The financial health and sustainability of our plans rank among the highest in the country and the investment losses of the fund are a result of Wall Street decisions, not the Trustees of the Funds.

The Pension Protection Act of 2006 requires that pension plans are funded at certain levels and assigns status grades to identify if a plan is adequately funded ("green zone"), at risk ("yellow zone"), or dangerously under-funded ("red zone"). Nationwide, only 20% of existing pension plans are in the green zone and almost 80% of all plans are in the danger or critical zones. President Obama and Congress are currently working on legislative initiatives that would extend the funding timeline for healthy and well-managed funds like ours to weather this economic uncertainty. If we are to negotiate the best possible contracts in this troubled economy, we need to loosen the unfair burden imposed on our funds.

Your Union remains committed to negotiating a fair and equitable contract on your behalf and we will continue to fight to protect your pension and health and welfare benefits.

If you have any questions, please contact your Union Representative.

Sincerely,

Ronald E. Powell
President, Local 881 and
UFCW International Vice President

Kenneth R. Boyd
President, Local 1546 and
UFCW International Vice President