

South Tahoe Raley's workers part of strike

By Dale Kasler, Sacramento Bee

Raley's went on strike early today, the first time in its long history, after three days of marathon negotiations failed to produce a new contract.

Leaders of the United Food and Commercial Workers told their members to head to the picket lines at 6am, when most Raley's and Nob Hill Foods stores across Northern California opened.

The company said every one of its 130 stores would open.



Raley's workers at the Y in South Lake Tahoe assemble about 9am to get instructions on picketing the store. Photo/Provided

"We expect all our employees who are scheduled to work on Sunday to show up for work. We have plans in place to deal with any job actions to keep our stores open and operating," the company said in a statement shortly before 6am.

UFCW officials said health insurance remained the main sticking point. The company was proposing changes to the plan, including elimination of coverage for Medicare-eligible

retirees.

“For 15 months Raley’s has tried to dictate a laundry list of takeaways including devastating members’ and retirees’ health and welfare plan and nothing has changed,” said Local 8 President Jacques Loveall in a memo to his members. “It’s clear from their actions it’s time to teach them the meaning of respect.”

Striking workers said they were willing to take concessions to help the struggling grocer regain profitability, but Raley’s demands are too steep.

“We know that things are competitive. That’s why we gave up things,” said Lori Thurm, a picket captain at the store on West Capitol Avenue in West Sacramento, barely a mile from Raley’s headquarters. “We offered numerous concessions.”

For instance, workers were willing to forego bonus pay for Sunday shifts, she said.

In his memo to workers, Loveall said it was “obvious” that the last three days of negotiations “was nothing more than a sinister and shameful delay tactic designed to allow managers more time to lie to, threaten and intimidate our members. Clearly their goal was to persuade you to abandon your union.”

Raley’s says the strike is its first in its 77-year history. The company had set a midnight Saturday deadline for reaching a deal. The talks went on another two hours, and then broke off. Raley’s then unilaterally implemented many of the terms of its “last and final” contract offer. The basic wage rate stays the same, but there will be a 2-year pay freeze and the elimination of bonus pay for working Sundays. Holiday bonus pay is scaled back.

The strike doesn’t immediately affect Bel Air stores, whose workers haven’t yet taken a strike-authorization vote. Union officials said such a vote will occur soon.

While the strike has the support of allied unions, such as Teamsters Local 150, Raley's should be able to keep operating. Spokesman John Segale said the drivers are expected to deliver goods to the vicinity of the stores, and then store managers will retrieve items from the trucks and bring them inside.

But getting shoppers inside will be another matter. One early morning customer drove by the front of the store, realized a strike had begun, and drove off. "I support ya," she told the pickets.

Bob Reynolds, a former Safeway executive who's now a supermarket industry consultant in Moraga, said workers and the company will both get hurt by the strike. "Raley's is going to be hit very hard," he said.

Even with the stores open, some departments will probably just limp along, and even many of the most loyal Raley's customers will go elsewhere. "You never want to show your most loyal shoppers where the alternatives are," he said.

Yet in West Sacramento, store director Wendell Helton said his staff was working on getting the store completely operational.

Segale, the company spokesman, said, "We are continuing to provide a level of service and maintain product on the shelves."

As of today, anyway, some customers were willing to cross the picket line.

Joel Barton of Elk Grove, who bought 12-packs of soda at the Land Park Raley's store, said he had no reluctance to shop there. "Not a bit - Raley's is a good company," he said.

"I told (the strikers) on the way in they ought to be picketing Wal-Mart," he said.

Raley's and other traditional grocers have been losing market share to nonunion stores like Wal-Mart, which pay their

workers roughly half as much as the union chains.

Raley's top pay for union workers is \$21 an hour plus benefits, although most workers aren't at the top of the pay scale.

The UFCW did agree to concessions at struggling Save Mart Supermarkets of Modesto in September. Raley's says its final contract offer was more generous to workers than what Save Mart employees accepted – a statement flatly denied by the union.