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October 22, 2009

Dear Fred Meyer Associate:

You may have heard from your representatives at UFCW Local 555 about an unfortunate incident last Thursday, October 15 that ended in the arrest of three union representatives at our Hillsboro store. Unfortunately, some of the facts of this incident are being distorted, and I hope to set the record straight.

Your contract contains language specifying that union representatives are allowed into the stores to contact you during working hours, but in such a way as to “avoid wherever possible the loss of working time by employees...” We have always honored this contract language and worked with your union to ensure you have easy access to your representatives, and they are regularly in our stores. For many, many years the union has followed a process where they talk to Associates on the floor and let you know that they're in the store, give you their card, then spend time in your break room so that you can talk at length with them about anything you want to, for as long as you want to.

It seems that, quite suddenly, your union has unilaterally changed our agreed-on practice, and they have done it without any communication to us.

Usually, the union has one or two representatives in the store. Last Thursday, eight to twelve representatives descended on one store, some local and some from out of town. Here's what happened next:

- The reps held lengthy conversations on the sales floor, asking Associates to read and sign a petition while Associates were trying to serve Customers.
- Our manager asked them to observe the long-standing practice of talking more in-depth with Associates in the break room.
- The union representatives refused to do this. As you can imagine, having that many representatives on the floor talking with Associates was disruptive.
- They were asked multiple times to use the break room for their lengthy conversations, and were told that if they would not they would be asked to leave. They repeatedly refused.
- Since they wouldn't follow these instructions, they were asked to leave – several times – and told that if they didn't leave they would be trespassing and the police would be called.
- They still refused and told our manager to go ahead and call the police. Unfortunately, the police had to be called.
- The police escorted the union representatives out of the building.
- The police asked them, very courteously, to leave the property. The union representatives refused. Apparently, some of them actually disobeyed the police and went back into the store.
- This is what resulted in their arrest – their own actions, not the company's.

Additionally, we have seen communications in which Mr. Clay, president of Local 555, claims the company had him arrested as he drove into the parking lot. In fact, Mr. Clay was not present when the police were called, but arrived while the police were in the process of arresting some of the union representatives. Based on his interaction with the police, including refusing to leave when they asked him to, they decided to arrest him too.

Later, the Hillsboro police issued a “no-contact” order to Mr. Clay, which forbids him from having any contact with Fred Meyer representatives or from entering one of our stores. The company did not initiate or request this order.

The fact is this entire episode could have been avoided if Local 555 had not violated our long-standing access agreement, and repeatedly refused to abide by it even when asked politely to do so.

Your union representatives should be at the table with us instead of in the stores disrupting your work. We have been trying to negotiate a new contract for you for more than a year and a half – your contract expired July 2008 and has been extended. We had our first meeting with the union in September 2008; we had to put negotiations on hold for their union elections; we met again with the new administration headed by Mr. Clay in January 2009. Our most recent negotiations session was July 29, 2009. Discussions continue about pension and health and welfare, but we really need your union’s attention at the bargaining table.

We are committed to coming to agreement with your union on a contract that is good for you and your family while allowing the business to remain competitive. Please stay informed as this process continues. You’ll find regular updates on our progress with Local 555 at www.myemployeeinfo.com/fredmeyer.

Sincerely,



Cynthia Thornton
Vice President
Labor and Associate Relations