

9-1-71

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

EXECUTIVE COUNCIL

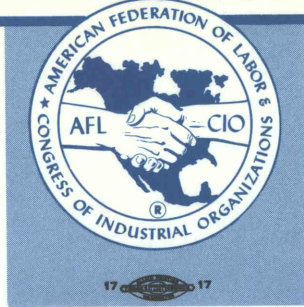
GEORGE MEANY
PRESIDENT

LANE KIRKLAND
SECRETARY-TREASURER

JOSEPH CURRAN
JACOB S. POTOFKY
LEE W. MINTON
KARL F. FELLER
I. W. ABEL
PAUL JENNINGS
JOHN H. LYONS
C. L. DENNIS
THOMAS W. GLEASON
FREDERICK O'NEAL
JERRY WURF

M. A. HUTCHESON
A. PHILIP RANDOLPH
JOSEPH A. BEIRNE
PETER T. SCHOEMANN
DAVID SULLIVAN
WILLIAM POLLOCK
A. F. GROSPIRON
PETER BOMMARITO
JOHN F. GRINER
FLOYD E. SMITH
S. FRANK RAFTERY

JOSEPH D. KEENAN
RICHARD F. WALSH
JAMES A. SUFFRIDGE
PAUL HALL
HUNTER P. WHARTON
MAX GREENBERG
MATTHEW GUINAN
PETER FOSCO
CHARLES LUNA
LOUIS STULBERG
ALEXANDER J. ROHAN



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

(202) 293-5000

4-1.1 hahn

September 1, 1971

The Honorable John C. Mundt
Office of Interoceanic Canal Negotiations
Room 2911 - New State
Washington, D. C. 20520

Dear Mr. Ambassador:

The attached document constitutes the recommendations of the AFL-CIO Committee on the Panama Canal Treaty negotiations, and is respectfully submitted to you and your colleagues for inclusion in the present negotiations.

It is the recommendation of the Committee that the guarantees and labor benefits outlined in the attached document be included in the new Treaty, and that enactment of legislation by both Panama and the United States to implement these provisions, be made part of the conditions for final ratification.

This will also confirm our meeting with you scheduled for Monday, September 20th at 2:30 p.m., at which time we will be happy to discuss any of the Committee's recommendations and answer any questions which you and your colleagues may wish to submit.

With assurances of our highest consideration and esteem, we are,

Respectfully yours,

John C. McCart

John C. McCart, Chairman
AFL-CIO Committee on the
Panama Canal Treaty

A. C. McLellan

A. C. McLellan, Coordinator
AFL-CIO Committee on the
Panama Canal Treaty

JCMcC/A.C. McL:dev
opeiu#2 afl-cio

* RBT suggested
Tuesday since JCM
scheduled to go to
Hill Monday.

RECOMMENDATIONS OF THE AFL-CIO COMMITTEE
ON PANAMA CANAL TREATY NEGOTIATIONS
BETWEEN THE UNITED STATES AND THE REPUBLIC OF PANAMA

In recent weeks, representatives of the United States and the Republic of Panama have initiated discussions aimed at producing a new treaty governing the administration and operation of the Panama Canal.

This development underscores the need for the representatives of the two governments to extend serious consideration to the effects of a new treaty on employees now operating the Canal and its appertunances.

Citizens of both nations have made an invaluable contribution to the construction and continued operation of the Canal as a vital waterway serving world commerce. Large numbers have devoted their entire working careers to the successful functioning of the enterprise.

Whatever agreement emerges from the current binational discussions, the Panama Canal will continue to serve its essential function of transmitting ships of many nations from ocean to ocean. The work force necessary to accomplish this mission deserves the utmost consideration in any accord between the United States and the Republic of Panama.

For these reasons, the Committee has addressed itself to the conditions which should prevail for three groups of workers now engaged in Canal operations and related activities -

Employees whose jobs would be eliminated.

Employees who would continue to work for the reorganized Canal function.

Employees who choose not to work for the restructured Canal organization.

I. Benefits for Employees Whose Jobs Would be Eliminated.

A. Early Retirement.

1. Any employee of the Canal Zone Government/Panama Canal Company subject to Civil Service Retirement Law who becomes absolutely separated from employment for any reason other than misconduct or delinquency shall be considered as involuntarily separated within the meaning of the Civil Service Retirement Law and shall be eligible to retire with 15 years service, regardless of age, with no loss in annuity or reduction because of age.
2. Extra credit of one year service for each five years total United States government service.
3. Provision for a minimum retirement benefit of 50% of salary at the time of retirement.
4. Coverage under this section for those who lose their jobs in changes made in anticipation of the treaty, as well as after treaty becomes effective.
5. The above benefits shall apply also to employes in the Zone who are similarly affected, but are not covered by the Civil Service Retirement Act. The cost of these benefits would be defrayed wholly by the employer.

B. Severance Pay and Unemployment Benefits.

1. Severance pay and other appropriate benefits will be provided to cushion the impact of separation.
2. Unemployment benefits for those employees laid off as a result of the treaty will be paid until such time as they obtain other employment. No minimum

waiting period will be required and maximum weekly benefits payable in the United States will be applicable.

3. Non United States citizens - Severance and unemployment benefits described above shall be made available to both United States and Panamanian citizens, the cost to be borne by the employer.

C. Placement Assistance.

1. The facilities of the administration and the Republic of Panama shall be used to the fullest extent to secure career employment for transferred employees, other than United States citizens, who after transfer to the administration are involuntarily separated at any time from the service.
2. The United States government will provide special placement assistance in federal positions in the United States for which they may be qualified by experience and training those employees who are United States citizens and who are involuntarily separated at any time from employment because of the treaty.
3. Whenever a function of the administration is transferred to the private economy, the administration and the Republic of Panama shall make fair and equitable arrangements to protect the interests of all employees who presently perform such functions, including the transfer of the employees with the function under the same conditions of employment. The terms and conditions of such employment arrangements shall be specified in a written

agreement between the administration and the Republic of Panama. Such arrangements shall include provisions necessary to protect individual employees against a worsening of their positions with respect to their employment and to assure compensation and benefits at levels not less than those applicable to such employees immediately prior to the effective date of the agreement, including provisions necessary to -

- (a) assure continued employment;
- (b) preserve rights, privileges, and benefits (including continuation of pension rights, credits and benefits) under collective bargaining agreements, or otherwise, in effect on the effective date of the agreement;
- (c) continue collective bargaining rights;
- (d) provide paid training and retraining programs.

II. Protection for Those Employed by the Restructured Canal Administration

A. Employment Benefits and Protection.

- 1. Protection and benefits at least equivalent to those in effect just prior to the effective date of the treaty such as:
 - a. Overtime Pay
 - b. Night Differential
 - c. Reinstatement and Restoration of Individuals.
 - d. Injury and Death Compensation
 - e. Uniforms and Protective Equipment
 - f. Leave Time
 - g. Free periodic transportation of employees personal vehicle

- h. Travel and Transportation Benefits for Home Leave
 - i. Group Health and Life Insurance
 - j. Repatriation of Employees Families personal effects and household goods.
 - k. Education Travel
 - l. Transportation of the Remains of Deceased employees as well as their families, personal effects and household goods.
 - m. Transportation of the Remains of Deceased dependents
 - n. Witness Fees and Allowances
 - o. Reduction in Force Procedures
 - p. Grievance Procedures and Appeals
 - q. Adverse Actions and Appeals
 - r. Position Classification System and Appeals
 - s. Veterans Preference Eligibility
 - t. Holidays
 - u. Incentive Awards Program
 - v. Salary Savings
 - w. Severance Pay Benefits
 - x. Hazardous Duty Pay
 - y. Social Security
2. Provision of a waiting period of fifteen years after ratification prior to enforcement of the new treaty with regard to changes in the work force.
 3. Continuation of recognition of United States labor unions and United States labor standards.
 4. A guarantee that no employee will be reduced in compensation below that which he last received as an employee prior to the effective date of the new treaty.

5. Application of an adequate tropical wage differential for United States citizens.
 6. The application of wage increases received by United States government employees to the Canal administration.
 7. Coverage by the United States Civil Service Commission Retirement Law so long as an employee continues with the Canal administration or United States government.
 8. Provision for equal opportunity for both United States and Panamanian citizens to job openings and promotions.
 9. Provision for salary increases to offset any net increase in the cost of living or other net financial disadvantages which such employees might otherwise suffer.
- B. The administration shall provide adequate community services for all its employees, to be maintained at the standards existing prior to the entry into force of the treaty, such as, but not limited to, housing, schools, medical, hospital and related services, as well as protective and security services or functions, such as police, fire, judicial and all other civil service benefits accumulated by the employees prior to the enactment of the treaty.

III. Benefits for those Who Elect not to continue employment with the Canal administration following treaty implementation.

A. Placement Assistance and Severance Pay.

1. Severance pay and placement assistance will be given these workers as if they had been involuntarily separated such as those workers in Category I.

B. Early Retirement.

1. The early retirement benefits provided workers in Category I will be provided to workers who elect not to continue employment with the Canal administration following treaty implementation.

- C. These rights will be retained as long as the employee continues with the Canal administration, and can be exercised at any time, including the period prior to the actual effective date of the treaty.

IV. Collective Bargaining.

- A. The principle of collective bargaining between the employer and unions for employees they represent shall be recognized and maintained.

We recommend that the above benefits and protection be written into the treaty and that enactment of legislation by both Panama and the United States to carry out these provisions be made a part of the conditions for final ratification. The language of such legislative proposals should be developed prior to ratification, and should be available to the AFL-CIO Committee for examination and comment.