

Think **K**TWICE!

SUMMER 2005 THE OFFICIAL PUBLICATION OF THE ALLIANCE@IBM/CWA LOCAL 1701

IBM Job Cuts Begin in U.S. and Canada

When IBM announced restructuring and job cuts in April, many of the company's U.S. and Canadian employees thought that the job cuts would be in Europe. Headlines in newspapers covering the cutbacks (i.e., "13,000 managers to be cut in Europe") abetted IBM's apparent effort to mask the extent of the cutbacks on its U.S. workforce.

The truth is, about 70 percent of the cuts will be from Western Europe and the balance, 30 percent, from within the U.S. The cutbacks will affect more than just managers. IBM officials also clearly stated that cuts in Europe would be voluntary, but involuntary in the U.S. and elsewhere. Why? Because in most European countries any job cuts must be negotiated with IBM workers' unions and Works Councils. Labor and social laws in Europe protect workers there far more than in the U.S.

IBM employees in the U.S., and most of Canada, however, do not have union-negotiated collective bargaining agreements with the company.

HELP US TRACK IBM JOBS LOST IN U.S.

As we go to press, the Alliance has received some information about job cuts in a number of divisions in the U.S. Our website

— www.allianceibm.org — is keeping a tally of jobs cut and where. But we need assistance from U.S.-based IBM employees to help us report and expose the true number of jobs being lost. We need you to send the Resource Action package material that lists the age, title, and number of "employees selected" to our Alliance office in Endicott, New York.

Help us break the silence and secrecy of IBM job losses in the U.S. The future of our jobs, and the jobs of future workers, are at stake. Please send to us any information you and your colleagues may have on how many

jobs, and what kind of jobs, are being lost to off-shoring, and where (what country). Write us at: **Alliance@IBM Local 1701, Attn: "IBM Job Cuts," 36 Washington Ave., Endicott, NY 13760.**

In the meantime, thanks to the leak of an IBM management memo, we learned that IBM will hire an additional 14,000 people in India by 2005, an amount roughly equal to the number of jobs the company is cutting in the U.S. and Western Europe. There also have been IBMers who have lost jobs because their work was shifted to Brazil.

"CUTTING HERE, BUT HIRING OVER THERE"

IBMers were incensed by the contents of an internal "I.B.M. Confidential Memo" that uncovered the company's plan to hire more than 14,000 workers in India this year — a period when an equal number of IBM workers' jobs in the U.S. and Western Europe are being eliminated. The internal document, dated April 2005, was leaked to the Seattle-based, CWA-affiliate, the Washington Alliance of Technical Workers (WashTech). WashTech turned the document over to the New York Times.

Robert Moffat, an IBM senior vice president told the Times that the move was "mostly about skills," not costs. He claimed that IBM's overall employment in the U.S. has held steady for the last few years at around 130,000.

Cutting Here, But Hiring Over There

By STEVE LOHR

Even as it proceeds with layoffs of up to 13,000 workers in Europe and the United States, **I.B.M.** plans to increase its payroll in India this year by more than 14,000 workers, according to an internal company document.

Those numbers are telling evidence of the continuing globalization of work and the migration of some skilled jobs to low-wage countries like India. And I.B.M., the world's largest information technology

IBM: COME CLEAN ON CUTBACKS

We have urged IBM to divulge the number of cuts planned for its workforce in the U.S. In our June 28 press release, we said "IBM employees and their communities deserve to know" about whether they will be affected by job cuts in the U.S.

"IBM just announced its fifth new software center in India, which will hire an additional 1,000 programmers this year," stated our release. "It's clear that IBM is systematically eliminating good paying, skilled technical jobs in the U.S. in order to expand its operations in India," we said, adding, "IT workers

Help Break Secrecy of IBM Cuts

Help us break the secrecy of IBM's job cuts. Post any information you have about job cuts (where, what kind of jobs) on our website. Click on the "Job Cuts Comments & Status Page" link or go to <http://www.allianceibm.org/jobcutstatusandcomments.htm>.

already have been hit hard by devastating job losses as companies offshore work to India. IBM is among the worst offenders, pushing relentlessly to export skilled jobs.

"We request that IBM send all Resource Action packages to us, along with the list of employees targeted for job termination," our press release stated.

Day of Action: 23 May 2005

Worldwide, IBMers mobilize against job cuts

On May 23, IBM employees, unions and Works Councils worldwide held rallies, strikes and a moment of silence in response to IBM's recent announcement of 13,000 job cuts. The unions also released a Joint Statement (see website for Joint Statement).

This historic worldwide IBM protest showed the depth of concern and anger over the company "restructuring" that is going on. Many employees believe that the job cuts are being used to appease Wall Street and boost the stock price at the expense of workers. Employees also asked how IBM can fire 13,000 employees while simultaneously buying back \$5 billion in stock.

In the United States, Alliance@IBM members and IBM employees joined in the following activities: wearing black and blue to signify the pain of job cuts; taking a 10-minute "silent" break at the same time, retirees contacted IBM CEO Sam Palmisano to show support for employee and retiree concerns, and spouses of terminated employees were asked to write to Palmisano detailing the effect job loss had had on their family.



France: "We're angry over IBM's job cuts."



France: "No. No. No."



Burlington, VT: "Honk for no job cuts."



Burlington, VT

Continued on page 2

Join the Alliance@IBM/CWA

Join the Alliance@IBM/CWA and join with your co-workers in building the strength and unity that we will need to reverse anti-employee benefit and personnel policies at IBM. If we work together, we can make IBM into a better and more secure place to work. Sign up below and be a part of the movement for positive change at IBM!

Name _____ Job Title _____
Work location/Division _____ Years with IBM _____
Home Address _____
City _____ State _____ Zip _____
Home e-mail _____ Home phone _____

(Check boxes that apply)

Voting member. I will pay monthly dues of \$10 and become a voting member of the Alliance@IBM/CWA Local 1701. Send me an application form.

Subscriber. I want to receive Alliance publications and be placed on the Alliance e-mail list.

For information go to www.allianceibm.org

Day of Action: 23 May 2005

Worldwide, IBMers mobilize against jobcuts

Continued from page 1



Italy



France: "No offshoring for software development. The Paris software labs should stay in France."



Italy



France



France



Italy



Burlington, VT. A moment of silence.



France: IBM staffers showed their feelings about the job cuts at their union's bargaining meeting

UPDATE: IBM Employees' Pension Lawsuit

Settlement notices for subclasses 1 and 2 in the Cooper v. IBM lawsuit were mailed on June 3, 2005. A copy is posted at <http://www.coopersettlement.com/subclass1and2/>.

The fairness hearing for subclasses 1 and 2 has been scheduled for August 8, 2005. Judge Murphy's main orders from the lawsuit are posted in the "files" section of the IBM Pension Yahoo Group at: <http://finance.groups.yahoo.com/group/ibmpension>.

SOME QUESTIONS & ANSWERS:

Q1: Who is covered by the pension lawsuit?

A: Anyone who worked for IBM in the U.S. after December 31, 1994, whether or not they are still employed by IBM, is covered by one of the three classes defined in the lawsuit. People who left IBM before this date are not covered.

THE CLASSES ARE:

Subclass 1: All individuals who have participated in the IBM Personal Pension Plan at any time after December 31, 1994, whose accrued benefits have been or will be determined pursuant to the 1995 Personal Pension Plan formula.

Qualification for membership in the plaintiff class for Cooper v. IBM is not based on when you started collecting your pension benefits, but on the last date of employment that your pension calculation was based. This means that people who left before December 31, 1994, but who bridged to a last date of employment after December 31, 1994, are a member of subclass 1 and may qualify for a share of the settlement.

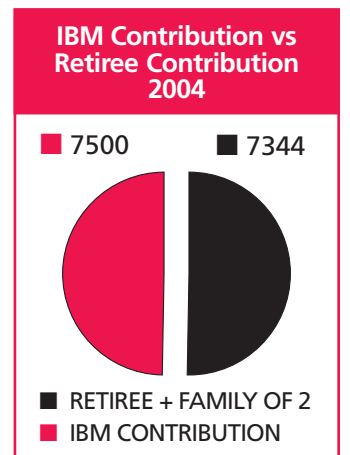
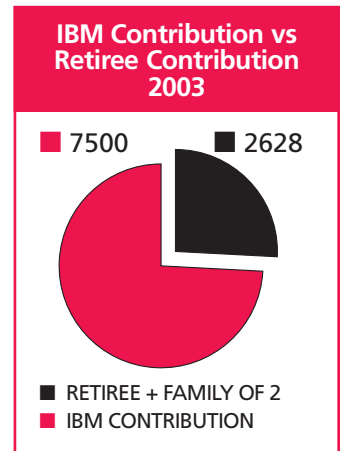
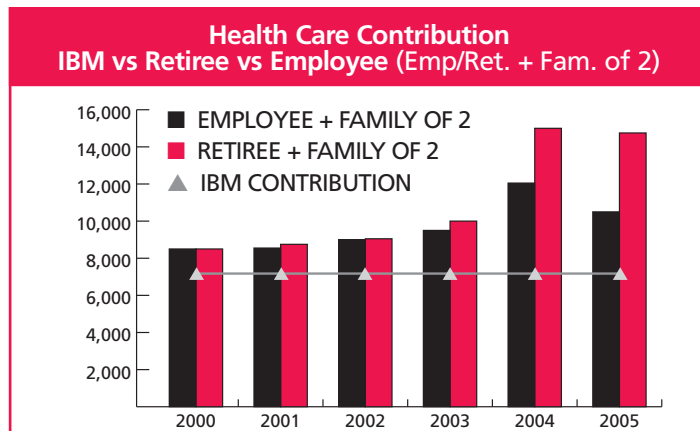
Subclass 2: All individuals who have participated in the IBM Personal Pension Plan at any time after December 31, 1994, whose accrued benefits have been or will be determined pursuant to the 1999 Cash Balance Plan formula.

Subclass 3: All individuals who were employed by IBM as of July 1, 1999, and who have left or will leave IBM's employ before meeting the 5-year vesting requirement.

Q1b: Who do I contact to find out if I am covered or make sure I am on the list?

A: For address updates or to cross check your inclusion on the list, call 1-866-716-4098 to provide your new address, as well as your phone number, Social Security number, and IBM employee number. If you prefer to provide a new address in writing, you may send it to: Cooper Settlement Office, POB 770003, Cincinnati OH 45277-0064.

For eligibility claims or other information on the settlement, send a written inquiry (*do not call*) to class counsel: Douglas R. Sprong, Korein Tillery, LLC, P.O. Box 4310, Fairview Heights, IL 62208. Please include your name, your IBM employee number, your Social Security number, your current address, and your question.



FPO MAIL PANEL

Think Twice is written by IBM employees who are seeking a voice in their workplace through the Alliance@IBM/Communications Workers of America (CWA) Local 1701. Write us at the Alliance@IBM, 36 Washington Ave., Endicott, NY 13760, call us at 607-658-9285, fax us at 607-658-9283 or contact us by e-mail through our website at www.allianceibm.org.