

Arbitrator to decide who stays after Norcal-Crosetti merger

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A federal arbitrator will decide which workers get seniority when Crosetti Frozen Foods closes its doors and buys into Norcal Frozen Food Co., workers of the two firms were told yesterday.

An arbitration hearing will be in Watsonville Oct. 10, Teamsters secretary-treasurer Sergio Lopez told about 400 people — workers and their families — at a meeting at E.A. Hall Middle School. This reporter was not allowed in, but was able to hear parts of the meeting through an open doorway. Lopez also recapped his presentation after the meeting.

The arbitrator will consider recommendations from a committee of three workers from each plant, Lopez said.

The arbitrator and the committee will have a tough decision — essentially deciding who keeps his job and who doesn't.

Crosetti has been negotiating a "buy-in" to Norcal, the company formed in March when Watsonville Canning and Frozen Food Co. went bankrupt after an 18-month strike by Teamsters Local 912.

Ray Walker, executive vice president of Crosetti, wouldn't discuss details, but has confirmed that the Crosetti plant will close at a yet-to-be-determined date. He said an announcement about the deal could come this week.

Lopez said he understands the buy-in would involve Crosetti getting Norcal stock in exchange for equipment and inventory. He said he expects the Crosetti plant to be closed at the end of this year or early next year.

Lopez said Crosetti wants the seniority lists of the two firms to be intermingled; that is, a Crosetti worker with five years on the job would have seniority

over a Norcal worker with four years. (Norcal workers retained all their seniority from the Watsonville Canning regime.)

But Norcal wants to protect all its workers and would put the Crosetti employees at the bottom of the list, Lopez said. Norcal has agreed to give health benefits to former Crosetti workers who were qualified for benefits at Crosetti after they've worked at Norcal three months.

Lopez said Norcal has a work

Lopez said he's hoping consolidation of the two companies will yield a single company better able to compete in the marketplace.

During union contract negotiations last year, Crosetti officials acknowledged that the company had been losing money for several years.

Norcal assumed a large debt when the company was formed by David Gill, a King City grower who was a major creditor of Watsonville Canning.

Two years ago, the standard

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force of 550 to 600 to draw from. At peak times, the company needs more people and hires temporary workers.

Crosetti has from 300 to 500 workers at peak times.

Work is slow at both plants now, Lopez noted, with about 300 on the job at Norcal and 125 at Crosetti.

Just how many jobs will be lost can't be determined yet, Lopez said. "If the frozen-food industry turns around, what we're hoping is that a majority of the jobs can be saved."

But turning the industry around is no easy task. The amount of frozen broccoli being imported into the U.S. has gone up 30 percent this year, Lopez noted. Foreign packers are able to offer low prices because they pay far lower wages than their American competitors.

That's put additional strain on an industry already in trouble. Lopez said Crosetti has been hit especially hard by foreign competition.

wage for frozen-food workers in Watsonville was \$7.06 an hour. It's now \$5.85, a level negotiated after the companies said they couldn't maintain the old rate because foreign competition was ruining them.

The mood during yesterday's 90-minute meeting was generally calm, although there were a few angry questions directed at Lopez toward the end.

"We don't have a fighting chance," one woman said to a co-worker as she walked out of the meeting.

Workers asked whether there would be severance pay and job retraining.

Lopez said there are no provisions for severance pay, but displaced workers would get all the benefits due them.

Retraining programs are available from local and state governments, Lopez said, but there are no union funds for retraining.

Lopez told workers, "We need to scream louder that we need

help" from the federal government against the ever-increasing amount of imports.

Lopez said workers can start on the local level by going to tomorrow's Watsonville City Council meeting to complain about a proposed increase in sewer fees to finance a secondary treatment plant to meet federal wastewater standards.

Building such a plant would increase the annual fees at Richard A. Shaw frozen food from \$50,000 to \$200,000, Lopez estimated.

"Why do we need a secondary plant in Watsonville if they're going to kill the industry (in installing it)?" Lopez asked.

Lopez said there needs to be federal legislation "to limit the amount of imports. We can no longer afford to open our borders."

Lopez said the union "did a good job" in working to preserve jobs, noting that about 2,000 food-packing jobs have been lost in Watsonville in the 1980s when smaller plants closed or the large ones cut back.

Chavelo Moreno, who will be on the committee of Norcal workers, said, "We the workers are the ones who will be the victim. The companies are always ensuring their profit. They're not claiming they're losing money."

Moreno said being on the committee won't be easy. He's representing Norcal workers, "but I'm concerned about the people at Crosetti, too."

Members of the Pajaro Valley Communist Party passed out leaflets to people entering the meeting, urging that they demand severance pay and retraining pay and a provision for job security.

Similar demands were urged by the Jose Horacio Lopez Cannery Workers Project, a group that has given legal aid to frozen-food workers.