



ESC Local 20 PG&E Member Bulletin: January 14, 2019 Response to PG&E notice of possible bankruptcy filing

To all ESC members at PG&E:

This morning PG&E gave the Union notice that PG&E may file for Chapter 11 bankruptcy protection, possibly as soon as January 29th. Also, PG&E is beginning a search for a new CEO after the departure of Geisha Williams. Although this is concerning news for all of us and creates significant uncertainty, we want to remind all members that ESC Local 20 is engaged and committed to do whatever is necessary to protect the members and their families.

The Union's understanding is that PG&E is taking this action so that the Company can access capital credit made nearly inaccessible by recent bond ratings that were driven by potential liability from wildfires. These potential liabilities can be accrued irregardless of the degree of PG&E's negligence or culpability because of "Inverse Condemnation." This is a time of many unknowns, but we should remember the following:

1. Our contract is still in force. This means the Union still is your representative and that there can be no changes to wages, benefits, and working conditions without negotiations. Even if a possible bankruptcy and reorganization process occurs, the union still has the right to negotiate with the Company over any changes to working conditions before they happen.
2. As in PG&E's previous 2001 bankruptcy, the Union will be seeking that the Collective Bargaining Agreement and our members' employment be respected in the bankruptcy proceeding. At this time PG&E has communicated that it is not trying to alter its Union Contracts through this process.
3. It is possible that PG&E's structure may change in this process. Recent press items have reported on an internal PG&E study regarding the possible sale of all or part of the gas business. The Union will oppose any such efforts in all legal regulatory and legislative avenues available to us. Also, even if PG&E is restructured, the Union has secured successorship provisions in our contract that will protect the members irregardless of the Company's structure or change of ownership.
4. The Union will do everything we can to protect the members and their families. We are consulting with our legal professionals and other advocates regarding next steps, and working in coordination with our union brothers and sisters in the IBEW. We also know we will have deep support for maintaining the security of our members and their families from our many labor and community allies.
5. We are gathering as much information as we can and we will hold an open call to brief members and answer questions, planning for Thursday, January 17 at 5pm and will provide call-in information soon.

The Union is here to fight for you, and with you all, will do exactly that.

In Solidarity,

John Mader, ESC President
Karen Sawislak, ESC Executive Director

Joel Foster, ESC Secretary Treasurer
Joshua Sperry, ESC Senior Union Representative