

CrossTalk

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COMMUNICATIONS WORKERS OF AMERICA

CINCINNATI, OHIO

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HOW DOES THE FANNIE MAE AND FREDDIE MAC BAILOUT AFFECT YOU?

This month Henry Paulson decided to use the power given to him by the housing bailout bill to officially take over Fannie Mae and Freddie Mac. This is a decision that has a huge impact on global financial markets. So how does this change affect you? Here is a list of the winners and losers in this situation.

Winners

Homebuyers with cash - The news of the takeover sent mortgage rates on 30 year fixed conforming loans by almost a quarter of a percent according to Bankrate and it is expected to fall a bit more in the next few weeks. So homebuyers who are looking to get a new loan may be saving quite a bit of dough. Lending criteria is more stringent than previous years so loans may only be available to the most qualified borrowers with a substantial downpayment and great credit.

Investors in financials and homebuilders - The stock market rallied on the news that the government is taking over Fannie and Freddie. The biggest winners are the financial and homebuilding industry.

Banks that invested in Fannie and Freddie's debt - Fannie and Freddie sold trillions of dollars in mortgaged backed securities to central banks all around the world. For example, China's People's Bank owns more than \$300 billion in Fannie and Freddie's mortgage backed securities. If both of these companies defaulted on all of these securities the Chinese national bank may have gone bankrupt.

Non-Americans - As I said in the previous point, many foreign banks purchased the debt backed securities issued by Fannie and Freddie. This bailout by the United States government essentially protected the assets of many foreign banks and non-Americans in these countries should be thankful that their banks are not going bankrupt. Additionally, the money used for the bailout is straight from the pockets of American taxpayers.

Losers

American taxpayers - This bailout is not free. No one knows the final damage this bailout will do to the Treasury, but most believe that the losses will be in the hundreds of billions. Considering that Fannie and Freddie holds approximately \$5 trillion in home loans and currently more than 9% of loans are in the process of defaulting, then simple math tells us that these two companies could potentially lose \$450 billion. Additionally, taxpayers will have to pay for the upkeep and operations of these companies so the costs will keep on increasing for years to come.

Banks depending on Fannie and Freddie dividends - Dividends from Fannie and Freddie's stocks have been eliminated. According to this article, many small banks around the country used the preferred shares of Fannie and Freddie as income investments. Now that the dividends are eliminated these banks no longer have a steady income stream and may fail.

Existing shareholders of Fannie and Freddie's stocks - This is pretty obvious since the stock price of Fannie and Freddie fell to under \$1. Technically these two companies are now under a conservatorship which basically means that they are bankrupt. As a result those who hold these stocks directly or through a mutual fund are seeing losses in their investments.

Home sellers facing plunging home prices - Even though this bailout will reduce mortgage rates for the best borrowers, it probably will not do anything to stem the plunging home prices in the most bubblicious areas of the country. Home sellers that are upside down in their loans will still have to deal with losses by themselves.

Lobbyists for Fannie and Freddie - They have been silenced now that the government owns Fannie and Freddie.

The bottom line is that no one really knows what exactly will happen in the next couple years, but letting Fannie and Freddie fail completely does not seem like a valid option. The global reach of Fannie and Freddie is humongous and this takeover move has some commentators saying that America is now more communist than China and more socialist than France. Indeed, America is using public funds to take over more than 50% of the credit market. Whether this decision makes America stronger or weaker in the global economy is up for debate. As consumers, all we can do is be vigilant as to where our money is kept and be careful when we enter into important financial contracts. Finally, I hope that a positive effect that comes out of this giant mess is that Americans will learn to save again and realize that an economy held up by debt cannot be sustained.

SOURCE - wisebread.com

ANNOUNCEMENTS

CWA Local 4400 would like to acknowledge the following members who were lost over the last few months. Ted May, Harry Toennisson, Lester Fink, Bill Reed, and Sherri Whalen.

If you know of any member or retiree who has passed, or anything you think should be announced, please contact the hall at 513-681-4400 or E-Mail the Crosstalk at CWAWEB@FUSE.NET.

We thought everyone should know that the mechanics at the garages are union. They are members of the IAM - International Association of Machinists.

Charles Harmon was awarded a second-year college scholarship grant from the CWA Joe Beirne Foundation. Because of his demonstrated first-year achievement Mr. Harmon will receive \$3,000 to help meet his expenses for the 2008-2009 school year.

There will be a delay in the nomination process for officers of local 4400.†The election committee apologizes for any inconvenience this may cause any candidates and assure you that we will provide you with election information by the end of September, 2008.†



"Okay, we move the White House to Mexico...the Congress to Indonesia...the Supreme Court to Nigeria..."

The Executive board of CWA local 4400 would like to extend our gratitude to our members. It was your long days of hard work that made it possible for the company to shine when everyone else experienced prolonged outages. It is a shame that people like Bill Cunningham of the WLW spew their venom about union people being the reason some areas are without utilities, without any idea of what he's talking about. We know our members are the best at what they do but sometimes our commitment to provide service to the community is taken for granted.

Thank you and your families for the sacrifices made daily in the name of excellent service.

CWA Local 4400
President
Tim Donoghue

FALL RETURNS

S J T E E T L H S C
C X A G T N O O C O
H V E N O E N M I S
O I R A V D G E T T
O C T H L I S W I U
L E R C O S L O L M
B P O E N E E R O E
U R K M G R E K P X
S E C I P P V H O N
N S I T A X E H E B
O I R F N U S E A Q
I D T L T F W L Q Q
T E V X S O L F J P
C N I S L O O H C S
E T Y L T E K C A J
L L A F S E V A E L
E H F O O T B A L L

BALLOT	LONGSLEEVES
COSTUME	POLITICS
ELECTION	PRESIDENT
FOOTBALL	SCHOOLBUS
HALLOWEEN	SCHOOLSIN
HOMEWORK	TIMECHANGE
JACKET	TRICKORTREAT
LEAVESFALL	VICEPRESIDENT
LONGPANTS	VOTE

CONTEST RULES: Words can be horizontal, vertical, diagonal, frontward or backward. Letters may be used in more than one word. Hidden words must be circled. Send completed entry to the local office, 2300 Montana Ave. Suite 101 Cinti, OH 45211, or house mail to location 350. Randomly drawn, correct entry wins a \$50.00 U.S. Savings Bond. You must be a CWA Local 4400 active member or retiree.

Name _____

Address _____

City _____

State _____

Zip _____

**The winner of the July
word search puzzle is
Jerry Carter
of Hamilton, OH**

COMEDY OF ERRORS

Back on May 22, 2008 I sent a letter to the Directors of Human Resources and Employee Relations and Recruiting and Special Services/ADSL Operations with concerns over a violation of the Cincinnati Bell Code of Conduct by a Cincinnati Bell manager in the Special Services/ADSL Operations department. (See attached letter.)

Director-Special Services/ADSL Operations

On May 14, 2008 [REDACTED], [REDACTED] and myself met with your senior managers [REDACTED] and [REDACTED] over grievance 090308 [REDACTED] unfair appraisal. The grievance was resolved with Mr. [REDACTED] is appraisal being changed to fully met with regards to his totaled earned points of 41.5 in accordance with the overall rating key for non-management appraisal. As [REDACTED] and [REDACTED] explained they were resolving the grievance because the overall rating key was wrong, and that with the settlement of this grievance then 8-10 other appraisals would be changed also. When I asked them why the overall rating key had been changed in the iSome Improvement Required field from 21-40 to 21-41.5 and the Fully Met field from 41-60 to 41.6-60 and that these fields were only changed in your ADSL department and not with the Special side of your department we were told we had to ask you!

The question is, which team leader took it upon themselves do to this and with who's authorization? This falsification of a company document by management would have possibly harmed 8-10 technicians with a some improvement required appraisal. This could have prevented these 8-10 technicians from putting in a transfer to another job; receiving specialized training, being placed on a PIP plan or pay raises if they were required. The union feels that the changing of the overall rating key on the Cincinnati Bell Non-Management Appraisal Worksheet is a violation of the Cincinnati Bell Code of Conduct with regards to section 2.9 Company Records. iThat all reports, vouchers, bills, employment and payroll records, service records, measurement and performance records and other essential data must be prepared with care and honesty. Also the Union feels that section 2.16 Computer Systems of the Code of Conduct was violated with regard to ialteration, improper use and fraudulent manipulation of the changing of the overall rating key on the Non-Management Performance Appraisal worksheet.

Tim, myself and the whole CWA 4400 Executive board have discussed this act of dishonesty at length and feel that if one of our members would have done this act of falsification and manipulation of any company document, the company would have them suspended first with termination to follow. Also we feel that iArticle XII Responsible Union-Company Relationship has been violated by whoever did this act of dishonesty and fraudulent manipulation. We have attached the appraisal worksheet that you can pull from the myHR home page with the overall rating key as you find on line. Also is attached [REDACTED] is appraisal worksheet which you will see has been altered in the fully met and some improvement required category and if you look closely next to the overall rating box at the top you'll see fully met in the box to the right the has been crossed out and the some improvement required category circled.

CWA 4400 hopes that there is a closure to this and that the offending party or parties is disciplined in accordance with the Code of Conduct and the HR Policy and Procedure Manual. If this cannot be done then the CWA 4400 Executive Board has recommended that we ask CWA District 4 representative [REDACTED] to take this matter to the Vice President of Human Resources [REDACTED] for a full investigation.

On September 2, 2008 I received a reply from the Director of Human Resources and Employee Relations and Recruiting bringing closure to the matter at hand on their side and in short this is what was concluded by the Director of Human Resources and Employee Relations and Recruiting. (The Following Response)

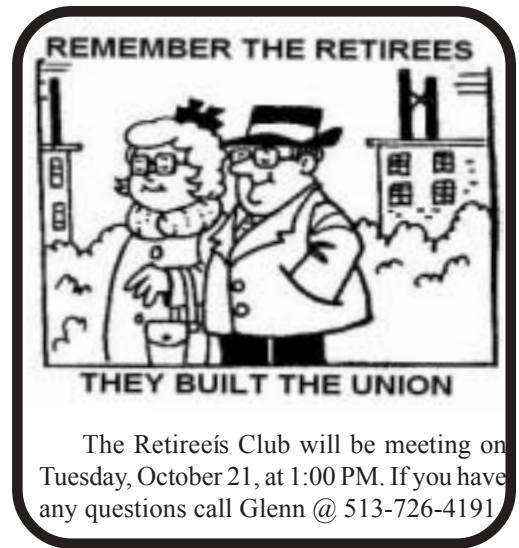
While I sincerely understand the union's frustration with this matter and the desire to have individuals who have violated any policy or the Company's Code of Conduct, it is my responsibility as Director of Employee Relations and Recruiting to make discipline recommendations. In concluding this extensive investigation, I have not found willful misconduct, fraud or dishonesty on the part of any manager.

Under section 2.22 of the Code of Conduct paragraph 3 it states that, iAlso, no one can justify an illegal act by saying it was directed by someone in higher management, and no one is ever authorized by the Company to commit such an act. Each employee, alone, is accountable for his or her actions. For each, integrity is a personal responsibility.

Integrity, we all know what that means. The manager who took it upon them self to fraudulently manipulate and alter the Non-Management Performance Appraisal worksheet which affected 8-10 members with lower appraisals has no integrity at all.

I along with the CWA 4400 Executive Board find these findings a slap in the face to all CWA 4400 members. HR told us in a meeting as they were concluding there investigation, the whole thing seems to be a Comedy of Errors on the part of Cincinnati Bell's managers. If this Comedy of Errors had taken place by one of our members it would have not been a Comedy of Errors but a Code of Conduct Violation with severe discipline to follow.

This just goes to show that if you are a manager you are innocent until proven guilty and if you are a CWA 4400 member you are guilty until proven innocent. My reply to the Comedy of Errors committed by Cincinnati Bell Management
BULL!!!!



Gary Vater

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CrossTalk

Dear members,

PRESIDENT'S CORNER

I can understand the fact that you're already pretty disgusted with all the political commercials. What started out as a civil campaign has gotten very ugly as of late. I know the last thing that you want to be reminded of is this election. Please take note that I wrote this article reminded of that, and didn't just write, "Here's a list of people you should vote for." All I ask is that you take a simple test and then let's review your answers. Remember, this isn't just for the Presidential race, but for all the races.

First: which candidate will protect pensions, social security, and health care over the next four years? The hope is that you are not happy with the current protection, or lack of. You deserve a candidate that believes the same as you. That after working most of your adult life and contributing to your pension and social security, that they must remain safe.

Second: which candidate will allow unions to grow so that good paying jobs will be here for future members? The Employee Free Choice act is a must, any candidate who says they are against it doesn't deserve your vote. I have participated in organizing drives and was appalled by the antics of companies and their attorneys to keep people from starting a union. People must have a chance to vote without fear of retaliation or harassment. If they vote yes, then recognize the new union and start bargaining the first contract. If they vote no, and it's free election, then move on. There will be many opportunities to organize, once the EFCA becomes law. If a candidate is against people joining a union, how can you count on them for other working class issues?

Third: Where has the candidate stood in the past? Do they have a record of backing the issues that union members rank as their most important? If you answered yes, did the candidate always stand up for us and are they promising they will now? Take a hard look at a record compared to a promise when your job is on the line.

Fourth: where do they get their money from? I think that tells you more about the candidate and the likely road they'll travel if elected. If those same groups that want to destroy any chances of you and your family's financial well being are among the top contributors, they don't deserve any support from your family. I wouldn't expect much in the way of leadership for my issues. A real standout would be the Right to Work groups or groups attacking the Employee Free Choice act. That would eliminate my support automatically.

Now keep these suggestions in mind and score the candidate based on the four points mentioned above. I think if you honestly answer these questions based on the same criteria in this article your candidate list resembles the endorsement list.

It didn't take those big union bosses on those commercials bulling you to vote their way. You need to look at what's important for you and your family today and tomorrow and decide accordingly.

It's really pretty simple-turn off all the negative ads, do your homework, go enjoy yourself, and I'll see you at the polls in November.

CWA4400 President
Tim Donoghue

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