



FOR IMMEDIATE RELEASE – **June 15, 2010**

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JUDGE AFFIRMS REJECTION OF IBEW COLLECTIVE BARGAINING AGREEMENT

Today, United States District Judge John A. Mendez affirmed the August 31, 2009 ruling by United States Bankruptcy Judge Michael McManus approving the City of Vallejo's rejection of the collective bargaining agreement between the City and the International Brotherhood of Electrical Workers, Local 2376 (IBEW). IBEW appealed the ruling on September 10, 2009 arguing that Judge McManus erred in granting the City's motion to reject the collective bargaining agreement.

In his ruling, Judge Mendez upheld the findings of Judge McManus, including the key findings that the IBEW collective bargaining agreement was burdensome and that the City had made reasonable efforts to reach an agreement with IBEW outside of contract rejection.

While the City is pleased with the ruling, it is unfortunate that this appeal required both the City and IBEW to devote valuable resources and time on the appeal that the City believes could have been better spent developing a plan of adjustment to exit bankruptcy.

Representatives for the City and IBEW have been negotiating the terms of a new contract since Judge McManus approved the City of Vallejo's motion to reject the prior collective bargaining agreement on August 31, 2009. Both sides declared an impasse on November 18, 2009.

More information regarding the City of Vallejo bankruptcy can be found on the city website at www.ci.vallejo.ca.us.