6-26-2008

New York Power Authority and Utility Workers Union of America, Local 1-2, AFL-CIO

Joel M. Douglas
New York Power Authority and Utility Workers Union of America, Local 1-2, AFL-CIO

Abstract

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Pursuant to Section 209 of the New York State Civil Service Law, and under the authority vested in the New York State Public Employment Relations Board (PERB) under Sections 209 and 205.5(k) of the statute, the undersigned was appointed fact finder for "the purpose of inquiring into the causes and circumstances of the dispute involving the aforementioned parties" and, to make such recommendations and findings of fact as deemed necessary. Mediation was effectuated and a PERB assigned mediator met with the parties but was unable to reach a settlement. The undersigned was subsequently appointed as fact finder and attempted to further mediate the issues. No agreement was reached and accordingly the parties agreed to a fact-finding process whereby briefs and affidavits would be submitted in support of the remaining open issues. A “Stipulation of Understanding” dated March 13, 2008 and executed March 19 and 20th 2008 was entered into resolving all but three of the outstanding issues. The parties agreed to submit those issues to the undersigned for his Finding and Recommendations. In lieu of separate fact-finding sessions both parties filed briefs and reply briefs in support of their positions.
The record consisted of briefs and reply briefs submitted by attorneys Lane and Kalban and supporting affidavits and reply affidavits from John Duffy, V.P. Utility Workers Union, NYPA employee David Moskowitz, Mount Sinai Hospital Stationary Engineer Kevin Comer, NYPA Vice President Joseph W. Gryzlo, Regional Manager Paul Tartaglia, NYPA Vice President for Finance Donald A. Russak, and NYPA Director of Operations [Niagara Power] Norman Stessing. Accompanying many of the affidavits were attachments and charts related to the issues at impasse. This report is based on the record as thus constituted.

BACKGROUND

The parties are signatories to a CBA which ended on January 17, 2004. The bargaining unit at impasse consists of approximately 55 employees working in 18 position titles at the Charles Poletti Power Project [Poletti] and the 500 MW Combined Cycle Project [500 MW] Plant located in Astoria, New York. Fourteen of the bargaining unit positions are Op-Techs. The parties began bargaining for a successor Agreement in the fall of 2003. Numerous bargaining sessions were held. In February 2005 a new Union bargaining team was selected. Impasse was eventually declared and a PERB staff mediator was assigned. No settlement was reached and the undersigned was appointed as fact finder. Fact-finding/mediation sessions were held and at the conclusion, the parties agreed to submit written briefs in support of their respective positions.

STIPULATION OF UNDERSTANDING

The aforementioned Stipulation set forth the following:

1. CBA for the period January 18, 2004 - January 17, 2009

2. Wage Increases as follows:
   
   2 % effective 1/18/04
   3.5% effective 1/18/05
   3.5% effective 1/18/06
   3.5% effective 1/18/07
   3.25% effective 1/18/08
   3.5% effective 1/1/09

3. Lump sum ratification payment of $1,000.00

4. Wage progressions as set forth in Article IX (1) (a)

5. Meal allowance as set forth in Article II (4) (b)

6. Increase in Night premium as set forth in Article II (5)

7. Variable Pay modifications

8. Benefit Changes including employee payment of XX in health insurance premiums
9. Layoff clause reinstated

10. Jury Duty

11. Posting change of Plant Utility Worker to Operating Mechanic B

12. Holiday - Add MLK as paid holiday

13. Personal Leave - reduction of two PL days

14. Representation – Local 1-2 as exclusive representative at 500 MW plant

15. Successor Clause

16. Work Day


18. Preferred Lists

19. Op-Tech Training Programs

20. Support of Retirement Legislation¹

ITEMS AT IMPASSE

The following items were submitted to the fact finder for his findings and recommendations:

1) Op-Tech wage rate and effective date and Op-Tech threshold number to be utilized for preferred list application

2) Severance Pay at Poletti plant

3) Preferred List – utilization

4) Preferred List - bumping rights

DISCUSSION AND ANALYSIS - FINDINGS AND RECOMMENDATIONS

1. The instant impasse revolves around the issue of job security as viewed within the context of the impending 2010 closure of the Poletti Power Plant.² Although the plant is not yet closed, the Union’s negotiations framework was apparently based on the theory that Poletti would close and that additional job security was necessary for those employees who might lose their jobs.

¹ For details of the modifications and other terms and conditions of employment, see “Stipulation of Understanding.”

² It should be noted that the parties agreed that Local 1-2 is the bargaining agent under the terms of the expired agreement of the employees at both Poletti and the 500 MW plant.
2. The NYPA approached negotiations with the concern that the closure of Poletti, and the concurrent operations of the 500 MW plant, was an overriding concern; that they would be required, albeit for a limited time period, to operate two plants and that skilled Poletti employees were needed at that plant, and therefore a transfer of work force from Poletti to the 500 MW was not feasible. As a result, NYPA hired “off the street” employees and trained them to work at the 500 MW plant while more senior unionized employees were left at Poletti without receiving job security guarantees.

3. In addition to the job security, economics was raised and although the basic across the board [ATB] salary adjustments were agreed to during the negotiations process, the base pay for the Op-Tech position was unresolved and strenuously contested. The Union sought what they believed to be comparability while NYPA argued that industry equivalency supported their position and that their mandates and overall economic conditions prohibited them from moving to the Union rate.

OP-TECH - WAGE RATE

4. The issues of salary and total compensation were related to “comparability” and “ability to pay.” Comparability analysis is based on cross-agency lines and considers job functions and skills performed by those employed in comparable settings. The criterion of “ability to pay” was also considered. There is no demonstrated inability of NYPA to pay the awarded increases. Indeed the opposite exists. The record documents that the agreed upon negotiated wage increases, coupled with the recommended Op-Tech starting salary, are within the traditional guidelines employed in fact-finding proceedings.

5. As I have noted in numerous fact-finding reports, salary recommendations are far from a meticulous process. The parties come to the negotiations table with a series of aspirations and goals and shortly realize that, for a variety of reasons, they are not attainable. The fact-finder has considered the traditional Taylor Law criteria in fashioning his recommendation and analysis. Included were the ability to pay, comparability, the rate of inflation, the particular needs of the employee group at impasse and other financial indicators.

6. The parties have agreed to a six-year CBA which provides for raises of 2% effective 1/18/04, 3.5% effective 1/18/05, 3.5% effective 1/18/06, 3.5% effective 1/18/07, 3.25% effective 1/18/08, and 3.5% effective 1/1/09. In addition there is a one-time adjustment bonus of $1,000.00 for each unit member effective upon the date of ratification. The above referenced adjustments cannot be viewed in isolation, for we do not know the time frame or environment and what bargaining concessions or advantages were exchanged in order to obtain these increases.

7. The undersigned also considered the role that the Consumer Price Index [CPI] played in this proceeding. CPI wage adjustments are based on the theory that in order for income not to be eroded, salary adjustments are necessary to “make the employee whole.” In the instant matter the across-the-board [ATB] adjustments were substantially equal to or exceeded the CPI for the period January 2004 thru January 2009.

8. Two job classifications are related and intertwined in the instant pay rate dispute. There exist the positions of Control Room Operator [COA] and Op-Tech. The COA rate is the highest rate of pay within the existing CBA. The Op-Tech position and
salary were set in 2003 at the maximum rate of $34.00 per hour. Pursuant to impact bargaining the rate was increased to $34.50.\(^3\) During the course of these negotiations the NYPA has increased their Op-Tech offer to $35.04 while the Union seeks the rate paid to COAs [$37.89].

9. Six Poletti COAs took and qualified for the 500 MW plant Op-Tech position with five assuming those duties. Three former COAs are now performing Op-Tech duties and had their salary grandfathered and are being paid at either the COA [A] or COA [B] rate. All new Op-Tech were hired at $34.50 with the Authority contending that they have not any difficulty in recruiting at this rate.

10. The Union has proposed that all Op-Techs be paid at the COA rate which is currently set at $37.89 and will increase to $46.46 over the life of the CBA. The Authority argues that the COA job differs from that of an Op-Tech inasmuch as they often do field work and perform automated tasks. The Tartaglia Affidavit notes that the Op-Tech work is more in line with Poletti Operating Mechanics or Senior Production Technicians who are paid at a rate lower than the Op-Tech. NYPA also contends that the Union-proposed Op-Tech rate is not comparable with other jobs in the region [See “Rate Comparison Chart” contained in the Tartaglia Affidavit]. Included in the comparables are the following job titles and salary rates:

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>COA rate</td>
<td>$43.48</td>
</tr>
<tr>
<td>OMA rate</td>
<td>$39.12</td>
</tr>
<tr>
<td>Senior Production rate</td>
<td>$37.34</td>
</tr>
<tr>
<td>Con Edison Gas Turbine Operator rate</td>
<td>$37.04</td>
</tr>
<tr>
<td>Con Edison COA rate</td>
<td>$39.99</td>
</tr>
<tr>
<td>Keyspan Gas Turbine Operator $37.39</td>
<td></td>
</tr>
<tr>
<td>Keyspan Gas Turbine Instrument Control Operator rate</td>
<td>$38.62</td>
</tr>
</tbody>
</table>

11. The Union contends that there are certain employees who now perform Op-Tech duties yet are paid at the higher COA rate. These are former Poletti employees who transferred into the 500 MW plant and retained their higher rate of pay [See Moskowitz affidavit]. Moskowitz maintains that Op-Tech work is in reality more difficult than COA work and should be paid at the same rate. His affidavit was directly refuted by Regional Manager Tartaglia who based his response on an entire range of job titles within several operating plants and did not limit it to Poletti and the 500 MW.

12. The Union also relied upon an internet posting for the position of Op-Tech and according to VP Duffy, if the Union's proposals were accepted, the maximum rate for an Op-Tech would be similar to that of the Internet posting. Duffy also referenced the NYPA plants at Lewiston and Massena, NY and noted that the position of Senior Operator is similar to that of Astoria COA. He noted that the upstate rate was $38.55 as opposed to the Op-Tech rate of $37.89 [See Duffy affidavits at B and D]. Comparisons were also made to NYC Stationary Engineers whose base rate was set by the NYC Comptroller at $45.49 effective May 1, 2006 [See Comer affidavit].

13. There is no other power facility that employs the Op-Tech position. Therefore, the establishment of the Op-Tech rate is a difficult task and involved conducting a job analysis among a series of varying job titles. Wages have been cited for the NYPA positions of Stationary Engineer, COA, OMA, Senior Production Operator, Con Edison Gas Turbine Operator, Con Edison COA, Keyspan Gas Turbine Operator, and Keyspan

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\(^3\) NYPA notes that the Op-Tech rate was both set and increased during the current round of negotiations and was the only job title so affected.
Gas Turbine Instrument Control Operator. Further complicating this task is that all of
these titles may, or may not, be found in the cited NYPA, Keyspan, Con Edison, or US
Power Gen (Orion Power) plants. In terms of new hires, the Authority argues that they
have had no difficulty in hiring Op-Techs at their existing starting salary of $34.50.
Recognizing the difficulty in arriving at a comparable standard, and in consideration of the
expertise demonstrated by Tartaglia, the Op-Tech Rate comparison Schedule set forth in
his affidavit at “A” was both critical and persuasive.

14. The economic facts are such that the Op-Tech wages sought by the Union
cannot be recommended. The ability to pay criterion and other relevant concerns have
been addressed by the undersigned and it is his concerted belief that based on the record as
submitted, the recommendations contained herein are within NYPA’s ability to pay. The
Union refuted this and argued for internal comparison using the NYPA COA as the
reference point. Yet even within these two titles, the affidavits of Tartaglia and Moskowitz
are diametrically opposed.

15. The critical element in this difficult comparison is that the parties have
negotiated over this rate for some five years and still have not reached agreement. While
internet reference to job postings, and what may or may not have occurred at other work
sites including the City of New York and Mount Sinai Hospital, may be relevant, it is an
arduous task to establish a comparable rate. What is of significance is that increases
already awarded to Op-Techs, as well as the fact that those Op-Techs who have transferred
over to the 500 MW plant have had their salaries grandfathered, and the evidence and
expertise cited in the Tartaglia affidavit, mandate the recommendation of the NYPA OP-
Tech salary rate proposal.4

16. The record documents that NYPA grandfathered the salary rates for Poletti
employees who entered the Op-Tech training program where their existing rate of pay
exceeded that of the Op-Tech rate. The Union viewed this as an acknowledgment that the
COA and Op-Tech rates were equal. This adjustment pertained to employees already at
the COA or COB rates. The Authority notes that this action was not a recognition that the
COA rate was appropriate for Op-Techs but merely a desire that employees should not be
disadvantaged when switching into the Op-Tech classification. This report recommends
that said practice of grandfathering be continued and that no existing employee shall suffer
a diminution of wages when transferring into the Op-Tech position.

17. On the basis of the record, and according to the criteria set forth above, the
undersigned recommends the last position set forth by NYPA [$35.04] as the Op-Tech pay
rate. Additionally, the rate shall be effective January 18, 2004, the effective date of the
present contractual ATB raises.

SEVERANCE PAY

18. The issues of Poletti plant severance pay and the utilization of the preferred list
are intertwined and must be discussed as a tandem. The Union was particularly
concerned over job security and the building of a “Bridge” which would enable current
Poletti employees to take part in a computer-based training program designed to enhance
their knowledge and skills “. . . so that those employees who wish to qualify for Operating
Technicians positions at the 500 MW plant . . . ” can receive the requisite training to

4 This recommendation also includes the proposed NYPA starting date for the Op-Tech salary adjustment.
qualify as Op-Techs at the 500 MW plant [See NYPA mediation memorandum entitled *Bridge Proposal*].

19. To address the needs of the Poletti employees who might not be employed at the 500 MW plant, the parties addressed the issue of severance pay. The Union argues that any Poletti plant employee who is laid off as a result of the plant's closure should receive a severance package equal to three weeks' pay for each year of service. Additionally, the Union has rejected the concept of a severance cap.

20. Although Article 1, Section 5(b) of the CBA contains a layoff compensation provision, it is the Union's position that said clause did not apply to the closing of the Poletti plant since it was assumed that the closure of that plant would simply result in a transfer to a new plant. However, since Poletti is now scheduled to be closed in approximately two years, and the establishment and operation of the new plant has already occurred, and in consideration of the fact that NYPA has already offered a week and a half severance pay for every year of service with a cap at one year, it is the position of the Union that their position is reasonable.

21. The present contract states:

> An employee who has competed three years of service or more of continuous employment by the Authority and whose employment with the Authority is terminated solely because of curtailment of force shall receive the following layoff pay: One week’s Pay... for the employee's first three years of continuous employment and one weeks pay for each additional year up to a maximum of eighteen weeks after 20 years of service. Layoff pay shall be in addition to accrued vacation termination.

Although there exists a contract severance cap, the Union argued that they have the right to seek to alter existing terms and conditions of employment throughout the negotiations and impasse procedure. This point was credited.

22. The present contractual cap of 18 weeks has, as argued by the Union, already been removed *de facto* by the actions of the employer when they offered to move the cap from 18 to 52 weeks with full credit toward severance pay for each of the first three years of employment. Although there are some employees who have at least 30 years of service, it is the position of the Union that if strict seniority is not applied, then the severance package is the only way to reward and protect long-term employees.5

23. The Union has also argued that since NYPA intends to keep senior employees at Poletti until such time the plant is actually closed, and thereby delay or prevent their transfer to the new 500 MW plant as Op-Techs, an attractive severance pay package is the only way to offer senior employees an incentive to remain with NYPA. Since NYPA wants senior employees to remain at Poletti until the January 2010 closure, it would be very difficult for them to effectuate any transfer upon said closure. If there was no such

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5 Assuming *arguendo* that the existing contract language should control the severance payout, and that this issue was being viewed in the context of a contract interpretation, the CBA PROVIDES THAT EMPLOYEES “...whose employment...is terminated solely because of curtailment of force...” The facts as presented establish that any potential layoffs are not based solely on the “curtailment of force” but instead are related to the opening of a new plant and the potential short-term increase in the work force. If both Poletti and the 500 MW plant are on line, there cannot be a curtailment of the work force but instead an actual increase until the moment that Poletti closes.
incentive the Poletti employees could leave at any time and not transfer to the 500 MW plant, thereby creating a shortage of skilled personnel to keep Poletti operational.\(^6\)

24. The record supports the proposal submitted by the Union that a severance package designed to provide some element of job security and a reward to those long-term employees who remain at Poletti and are unable to transfer to the 500 MW plant. The position of the Union that the actions of the employer in essence have removed the cap were persuasive. It is recommended that Poletti employees who are laid off at the time of the closing of the Poletti plant receive three weeks of severance pay for each year of service. Severance pay will be in addition to all other accrued benefits. There shall be no severance pay cap.

PREFERRED LIST - THRESHOLD NUMBER

25. There are two issues concerning the preferred list. The first concerns offering preference to Poletti employees who have passed an aptitude test, to be transferred to the 500 MW plant as Op-Techs. At the time of the hearing there were 14 Op-Techs assigned to the new 500 MW plant. The Union has long argued that the Preferred List, and not random off-the-street hiring, should be the method used to fill Op-Tech positions, while the employer contends that they need the flexibility to go outside of the workforce to hire in the Op-Tech classification. The position of the employer was not persuasive.

26. The Preferred List is geared to the appropriate threshold number above which NYPA is mandated to move someone on the List to the Op-Tech training program [See Tartaglia Affidavit]. Although NYPA argues that Poletti employees in the Op-Tech training program would occupy two positions, their incumbent Poletti job and the training slot, that argument was not persuasive. NYPA’s position appears to be that Poletti employees must remain in place until such time that their movement out would not create any problems whatsoever for the employer. This concept cannot be applied in the instant impasse. Once a Poletti employee begins the Op-Tech training program, clearly his regular job duties will have to be absorbed or distributed to the rest of the work force.

27. Preferred List ideas were floated and solutions exist, albeit they may involve a series of temporary reassignments from the 500 MW to Poletti. That issue is not at the core of the impasse. What is at stake is the threshold number of Op-Techs that NYPA can employ without resorting to the Preferred List. Clearly, if the number were high enough then the issue would be moot, since the List would never be utilized. Likewise, if the number were at the other extreme, then the employer would have no flexibility whatsoever.

28. NYPA also argues that the “Management Rights” article of the CBA permits them the right to set the operational requirements, and that the number fifteen is consistent with the needs of the Authority.

29. The Union has argued that the Preferred List, the existence of which has already been negotiated, should contain the threshold number of 13 and not the present fifteen. The Union notes that if the preferred list threshold remained at 15 there might not

\(^6\) The Union argues that NYPA is punishing senior members by prohibiting their transfer and offering an insufficient severance pay package.
be Op-Tech openings for any Poletti employee to transfer to, and that the reduction to 13 would mean that there could be two additional slots available to Poletti employees who passed the initial aptitude and training test.

30. What is critical to the resolution of this impasse issue is that Op-Tech number is now operational inasmuch as many of the existing fifteen Op-Techs now working were “hired off the street” thereby permitting NYPA the full exercise of their “Management Rights” to initiate the process. If the threshold number were being negotiated de novo, then the position of the Authority would have been persuasive. However, now that numerous new off-the-street hires have been made, the use of the Preferred List set at thirteen is a reasonable solution to this impasse item. Once again, the issue of job security and seniority played an important role in the establishment of this threshold number.

PREFERRED LIST - BUMPING RIGHTS

31. The Union urges that the preferred list be limited to 13 and that if a transfer-eligible employee cannot be transferred to the 500 MW plant due to operational needs, that at the time Poletti is finally closed, that employee can exercise seniority bumping rights. The Union has presented a plan whereby if an employee on the Preferred List at the time of an Op-Tech opening is not selected for the 500 MW plant and remains at Poletti, and an outside employee is hired to fill the 500 MW slot, the Poletti employee on the Preferred List can bump the outside employee at the time he finally leaves Poletti. The NYPA has argued that it needs to keep Poletti employees at the plant until it is closed and that bumping would therefore be untenable.

32. What the Union is seeking is that if there is a Poletti employee on the preferred list at the time a vacancy occurs at the 500 MW plant, that individual should be selected for Op-Tech training as opposed to hiring someone off the street to train and take the Op-Tech job. The position of the company appears to be that if they were to transfer Poletti employees before the plant were closed, it would have difficulty in continuing the operation of the plant.

33. The NYPA also argues that they cannot agree to the proposed “bumping” language since there presently exists such language that permits certain seniority bumping protections. However, in the event that they are forced to take a former Poletti employee and permit him to bump a newly trained Op-Tech at the 500 MW plant, NYPA argues that they would be forced to keep two persons on the payroll to fill one slot -- namely the one in training and the one who might be bumped.

34. Both parties have presented rational arguments and testimony in support of their positions. NYPA must keep both plants operating until the very end and needs two highly skilled work forces. However, that being said, NYPA is rightly more concerned with the 500 MW operations than the soon-to-be-closed Poletti plant. This argument, while legitimate, ignores the entire concept of union-based seniority. Nothing is more sacred and protected within the unionized work force than seniority and the protections it offers in terms of job security. Hiring “off the street” when there are union members seeking the same position, or the denial of the opportunity to train for said position has never been accepted and if awarded can severely damage the bargaining unit.
35. Bumping is a well-established precept and in the instant case offers advantages to both parties. The bumping would affect and potentially benefit existing Poletti employees on the Preferred List who remain at Poletti until such time as that plant is closed. Upon the closing of that plant the Poletti employee could bump the junior Op-Tech hired into the 500 MW plant after the ratification of the instant CBA. Thus the NYPA has the benefit of keeping the senior Poletti employee in place as long as he or she is needed at Poletti, while the Union can guarantee the Op-Tech position to those members who qualify for the training and who successfully complete same. As far as any new Op-Tech hired off the street, he or she will be told that condition of employment when the job offer is made and has the right to consider that element when deciding their vocational plans.

CONCLUSION

36. This report is based on the record and testimonial evidence as produced. The undersigned attempted to balance the critical job security issues sought by the Union with the economic constraints cited by the Authority. In essence, there were two choices available to the resolution of these problems. If NYPA desired to keep employees at Poletti for as long a period as possible and offer no guarantees in terms of long term job security protection, then the Union's severance plan, the shortened Preferred List, and the newly awarded bumping rights became critical. Little would be gained by awarding the proposed salary increases to the Union for workers whose jobs no longer existed. Thus, as argued by the Union, the job protections and rights of the existing work force [i.e., pre-500 MW plant hire], were considered more critical than those newly hired off the street who might have become the beneficiaries of the higher Op-Tech salary rate.

37. Fact-finding has long been recognized as a restrained process, one traditionally not given to the type of broad, sweeping changes that both parties have brought to the table. To recommend comprehensive changes exceeds the dimensions of this process. If change is to be forthcoming, then the parties must so bargain. This fact-finding report and recommendation is designed to provide the framework of a successor CBA and encourage the parties to end this prolonged impasse. It is hoped that it will be accepted in its entirety and that the parties will return to their established mission.

38. The above constitutes all items placed before me for evaluation, finding and recommendation by both parties. The undersigned furthermore wishes to extend his thanks to the parties for the cooperation and courtesies they extended to him during this demanding process.

FINDINGS AND RECOMMENDATIONS

1. The threshold number to be utilized for the application of the Op-Tech Preferred List shall be set at thirteen.

2. The Op-Tech wage rate shall be set at $35.04 per hour and shall commence on January 18, 2004, the date of the initial contractual salary increase.
3. Poletti employees who are laid off at the time of the closing of the Poletti plant will receive three weeks of severance pay for each year of service. Severance pay will be in addition to all other accrued benefits. There shall be no severance pay cap.

4. Employees who remain at Poletti until the closing of that plant, and who qualify for placement on the Preferred List, will be afforded bumping rights in order of seniority to bump any 500 MW Op-Tech hired after the ratification of the new CBA.

FOR THE STATE OF NEW YORK:
PUBLIC EMPLOYMENT RELATIONS BOARD:

______________________________
Joel M. Douglas
Fact Finder

STATE OF NEW YORK
COUNTY OF WESTCHESTER

I, JOEL M. DOUGLAS, DO HEREBY AFFIRM UPON MY OATH AS FACT FINDER THAT I AM THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THIS INSTRUMENTS WHICH ARE MY FINDINGS AND RECOMMENDATIONS.

______________________________
JOEL M. DOUGLAS, PH.D.
FACT FINDER
June 26, 2008