

Verizon Goes From Wireless to Shameless



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By Ralph Nadar

It was only a matter of time before the "pull down" NAFTA and WTO trade agreements on U.S. wages and jobs would be followed by "pull down" contract demands by U.S. corporations on their unionized workers toward levels of non-unionized laborers.

The most recent illustration of this three-decade reversal of nearly a century of American economic advances for employees is the numerous demands by Verizon. Here are just a few of the concessions the new Verizon CEO, Lowell McAdam, is insisting upon:

- More power to contract out and offshore jobs to add to the 25,000 already in that category; thereby undermining job security.
- a freeze on pensions;
- elimination of the sickness and death benefit program;
- reduction in sick days; and
- a major increase in employee contributions to and deductibles under their health insurance coverage.

Communications Workers of America Local 4250
3055 Glenwood-Dyer Road, Lynwood, Illinois 60411
Elizabeth R. VanDerWoude, President (708) 757-4065 (Office)
evp4250@sbcglobal.net (E-Mail)
<http://www.cwalocal4250.org> (Website)

Mr. Lowell McAdam would surely have trouble feeling the pain of his workers who brave the elements storm or shine to afford him a salary of over 1.5 million dollars PER MONTH plus perks and benefits. Watching Verizon profits soar year after year, noticing Verizon stock rise faster than its competitors, knowing that the company's top five executives took in over \$250 million between them in the last four years, the Communications Workers of America (CWA) took their members on strike on August 7, 2011. "Unfair and unacceptable" was their cry on the picket lines up and down the east coast.

These workers pay their taxes. While the tax lawyers for their bosses have figured out how to turn Verizon into a vast tax escapee. According to the super-accurate Citizens for Tax Justice, Verizon Communications made a total of \$32.5 billion dollars in pretax U.S. profits during 2008, 2009, 2010. Far from paying the maximum federal corporate income tax rate of 35 percent on these ample profits, Verizon's federal income tax was negative \$951 million or negative 2.9 percent!

Some of these saved tax revenues have been getting into expensive daily full page advertisements (not deductible it is hoped) in the Washington Post, The New York Times, and other large newspapers. Verizon's brazen assertions reflect the limitless arrogance of a multinational behemoth.

Verizon's headlines its ad with these words: "They claim we're asking union-represented employees to contribute to their own health care premiums. **THEY'RE RIGHT**. Verizon is proposing that its union-represented employees contribute more toward the cost of rising health care. 135,000 non-union Verizon employees already pay a portion of the healthcare premium. We're just asking our union -represented employees to chip in like everybody else. We think that's fair."

There you have it – the "pull down" ultimatum to the level of the voiceless majority of Verizon workers. Of course Verizon bosses with their fat paychecks do not have to worry at all about co-payments and larger deductibles in their gold-plated health plan.

Another anti-union Verizon ad featured this assertion: "They claim we want to strip away 50 years of contract negotiations. **THEY'RE RIGHT**. The union contracts that have expired were drafted over 50 years ago, when people still used rotary phones. Verizon is proposing to update the contracts in a reasonable manner to reflect the changing times."

The CWA leaders recognize that some changes need to be made and have offered compromises. But fifty years ago, a telephone company CEO never dared pay himself anywhere near the multiple that today's Verizon executives get compared to the average workers. Maybe then the CEO would get 20 times the entry level wage. Now it is between two hundred to four hundred times.

Verizon does have one last argument. At the bottom of each full-page ad, it describes exacting concessions from its workers as “all in an effort to best position Verizon to serve our customers.” Are those the same customers who are subject to all kinds of extremely one-sided fine print that spells suppression of rights, overcharges, termination fees, penalties and other straitjackets of contract serfdom? Are those the same customers who have to wait and wait to get their service and billing complaints addressed and questions answered? Are those the same customers who can never get Verizon to put what its spokespersons say on the phone in writing?

The CWA workers went back to their jobs on August 22, 2011. Verizon had threatened to cut off their medical, dental and optical benefits by August 31. Their 2008 contract continues until ongoing negotiations with the company are concluded for a new contract. Verizon keeps saying that what they’re doing just “reflects the changing times.” The times are changing – skyrocketing executive pay packages and corporate profits – slashing benefits for the workers and their families – shredding of all moral authority by example from the top.

If negotiations break down in the coming weeks and the CWA goes out on strike again, consumer advocates and their organizations should make it explicitly clear that Verizon can’t excuse what they’re doing to workers in order to better “serve our customers.” Verizon is going increasingly wireless. They are also going increasingly shameless!

<http://www.cwa1104.com/verizon-goes-wireless-shameless>

In Unity There Is Strength:

Liz VanDerWoude, President
CWA Local 4250
Chicago, Illinois

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