

STEVE TISZA, *President*



LOCAL 4250

## Workers of America

(AFFILIATED WITH AFL-CIO)

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### CWA D4 AT&T Midwest Bargaining Report #2 February 24, 2009

CWA District 4 Vice President Seth Rosen opened negotiations today with AT&T Midwest in Chicago, Illinois. Also present District 4's Bargaining Chair and Administrative Director Jerry Schaeff along with the committee made up of: Jay Egan, Local 4034, Jack Huber, Local 4320, Greg Streby, Local 4009, Liz VanDerWoude, Local 4250, George Walls, Local 4603 and Pam Wynn, Local 4309.

Opening Remarks of Vice President Seth Rosen on February 24, 2009:

As we open bargaining for AT&T in the Midwest, CWA understands that both the union and the company face difficult issues to try and resolve. AT&T is a successful and profitable company, even in these troubled economic times. We believe that it should be a leader in helping to turn the economy around and provide good middle class jobs. This is not the time to be lowering the standard of living for employees or diminishing benefits or pensions.

AT&T is the most successful company in the industry. That is due in large part because it has chosen a strategy which depends on products and services brought together in bundled offerings relying on skilled and productive union members to provide the best products and services to customers. A quality workforce needs and deserves quality wages, benefits, pensions and secure employment.

AT&T has been successful, earning \$12.9 billion in profits last year and \$2.4 billion last quarter. AT&T is financially sound and well-positioned for 2009, even in these challenging economic times. AT&T CEO Randall Stephenson has said that "despite the economic environment, we grew revenues in 2008 and I expect 2009 will be another year of overall revenue growth and solid progress for our company."

That's good news for employees, for customers, for investors and the company.

It also means that AT&T can set the right priorities in these negotiations. That means meeting its responsibilities to employees, as well as to investors, executives and consumers.

Even in the face of a bad economy, AT&T is doing well. We're not the auto industry. AT&T is a leader in the high tech industry. There's no reason for AT&T to hurt its employees.

AT&T employees and retirees have been a key part of this success and, therefore, AT&T should keep its commitments to them, not cut benefits or pensions, breaking their promises to both retirees and active employees. New employees in emerging areas of business who have been hired as temporaries with different conditions have also been part of this success. This new contract needs to bring these employees more fully into the family so that they can share in the success that they have helped to create.

Speaking of employees in the emerging areas of the business, we are also in solidarity today with our sisters and brothers at AT&T Mobility who are fighting for a fair contract.

As we usually do, we have surveyed our membership to identify the key issues that they expect to see addressed in this round of bargaining. Over the next few weeks, our Bargaining Committee, chaired by Administrative Director Jerry Schaeff, will be sharing these issues with you in detail. I would like to cover some of the highlights of our members' key issues:

### **Benefits and Pension Improvements**

Member bargaining surveys reflect continued frustration when attempting to utilize the benefits that the union has negotiated in good faith. This can best be addressed by clear contract language that protects our right to utilize the benefits that we have negotiated. Our intent is that benefits once bargained will be available without question to our members.

In addition, increased health care costs have led many employers to shift cost increases onto their employees. A company the size of AT&T can leverage its size to obtain the best health care arrangements available, balancing benefits and access with cost. The financial benefits of such arrangements should be shared with our members by continued quality benefits without premium sharing.

We also need to improve the quality of benefit delivery through union oversight and authority over health plans, building on the mechanisms that are already in place, including arbitration.

Health care reform has been a big issue for many years, but we finally have the opportunity to achieve a comprehensive health care system, something every other industrial country has. Because we now have an administration that is willing to move forward on health care reform and members of Congress also determined to get it done, we have a real opportunity to take health care off the bargaining table at major employers and create a system that corresponds with the kind of coverage every other industrialized country provides.

We've said to all our employers, "get off our backs and stand by our sides" in the campaign to win real reform.

I know that AT&T has been involved with CWA and others in trying to move the health care debate forward. It's those efforts that will fix health care. It cannot be done at the bargaining table, and it can't be done by shifting more costs to workers.

That won't work. AT&T employees already contribute to health care costs. Our goal should be to work together so that your competition – other employers that don't provide quality health care to employees – pay a fair share of what is a social good.

Pensions are a critical concern in this round of bargaining as many of our members are nearing the age of retirement eligibility. We need significant pension improvements to insure that all of our members regardless of their job title can retire with dignity. The lump sum pension option is selected by the vast majority of our members when they retire. Therefore, we must continue to assure that our members can choose this option. We must be sure the savings plans offered to our members incorporate effective options and protections which will ensure that savings are there when members retire. We must continue to guarantee retirees will have the health benefits they have earned without additional cost.

### **Employment Security Means Access to the Jobs of the Future**

Access to high quality job opportunities in the new communications industry including broadband, wireless and video is the key to maintaining our members' employment. This is critical to maintain our ability to negotiate wages, benefits and pensions in the future.

We must also eliminate obstacles that exist when exercising our rights under the hometown jobs provisions in the contract. We need access to the jobs of the future and improved voluntary transfer rights to all entities within AT&T. The "Jobs" program must be strengthened to assure it provides opportunities to every employee. We must assure that employees in the jobs of the future are brought fully into our contracts.

To insure employment security we must eliminate subcontracting and temporary hires as replacements for regular full time employment opportunities.

### **Improved Standard of Living**

AT&T is the largest and most profitable company in the communications industry. Investors got \$9.5 billion last year, plus another \$250 million increase in dividends just recently. Executives are well compensated, the top five were paid \$33.5 million last year.

As the dominant force in the industry AT&T is unsurpassed in market value and revenue. AT&T's profitability and standing in the industry is a result of our hard work and productivity. We deserve our fair share in the form of a significant base wage increase for all CWA members commensurate with company profits and executive compensation.

### **Justice on the Job**

AT&T/Midwest has received approval in all five states to offer video services to the region's customers. This provides additional regular full time job opportunities and allows the company to effectively compete with the cable industry. The critical link between AT&T's bundling strategy and its successful execution is the workforce of CWA members. All employees, but especially those like "limited term" Premise Technicians and Service Reps that are on the front lines of AT&T's strategy, must be treated fairly and with respect under the terms of our contract.

The elimination of mandatory overtime is critical to reduce stress on our members. Elimination of such overtime would also create additional job opportunities.

The misuse of performance management in all departments is a serious problem. Mandatory overtime, inflexible schedules, pressure to sell, monitoring, GPS, harsh attendance and adherence policies continue to plague our members. When attempting to resolve on the job problems through the grievance procedure we are frustrated by delays and managers lacking the authority to resolve problems or settle grievances.

These are difficult and complex issues. Fortunately, we have an outstanding Bargaining Committee that, under Jerry's leadership and the assistance of Kristie Darling, is experienced, dedicated, and smart. We pride ourselves at being problem solvers here in the Midwest, and this is the best group of problem solvers that we have anywhere. They have my complete confidence and support.

We also have a strong and united membership that is prepared to stand behind this bargaining committee through thick and thin. Our members will be well informed and mobilized throughout these negotiations.

We are in tough times. However, we believe that we won't get out of tough times unless companies like AT&T do their part to help a struggling economy and support the future of middle class jobs. AT&T is the industry leader and should be leading the industry to the high road of good middle class jobs, not following others on a race to the bottom. CWA and AT&T have a long-standing relationship. While we don't always agree, we are here, ready to roll up our sleeves and get to work at solving the problems that face all of us and negotiate a contract that helps us move forward.

**MOBILIZATION NEWS:** It was a sea of red across the Midwest as CWA members demonstrated their solidarity. At 11:00 a.m. EST thousands of inside members stood up at work across the five state region. In Detroit Locals 4004 and 4050 'Practice Picketing' at 444 Michigan Avenue. Locals are gearing up for **Health Care Action Day on March 5, 2009.**

The next report will be on Tuesday, March 3, 2009 or sooner should developments warrant. CWA/at&t bargaining updates are available <http://district4.cwa-union.org>

