

SBC Strikes Deal With Union

The four-day strike by 100,000 [SBC Communications Inc.](#) (NYSE: [SBC](#)) staff belonging to the [Communications Workers of America \(CWA\)](#) has ended with a "tentative agreement" between the two sides (see [SBC & CWA Reach Agreement](#)).

The deal includes some notable victories for the union: SBC has agreed to repatriate some tech support jobs that had been outsourced overseas; some previously sacked staff will be rehired; and union members will be permitted to work on next-generation technologies and services.

The five-year agreement was struck in the early hours of Tuesday morning after the carrier had pulled together a makeshift team to run its network during the 96-hour strike (see [Old Boy Network Keeps SBC Going](#)). The deal broadly meets the union's demands for job security, improved wages and pensions, and the protection of healthcare benefits.

SBC's management is satisfied that its core objective, to help cut ongoing operating expenses, has also been met. "SBC now has a labor agreement that provides us greater control over our cost structure and flexibility to meet our competitive challenges, while continuing to provide the outstanding wages and benefits that are hallmarks of this company," notes the carrier in a prepared statement.

The deal includes: an annual wage increase of 2.3 percent a year plus lump sums averaging \$300 a year; a co-payment scheme for some healthcare costs, but no fixed monthly fees; guaranteed job offers to current staff members, but *not* to new employees, should their post be lost (or "surplused" to use SBC's term); and an agreement that allows CWA members to move into "jobs of the future," that include work on emerging technologies not currently regarded as "traditional telephone work."

According to the union, those roles include work on projects such as FTTP, VOIP, video services, wireless Internet access, and business data services. "The settlement provides access and opportunity for members as they move from

traditional telecom work to the new technologies of the industry," the CWA notes in its statement.

The CWA adds that the deal includes the rehiring of "several hundred workers who had been laid off at SBC Southwest and SBC Midwest," and that the carrier has agreed to cooperate to repatriate technical support jobs that had been outsourced overseas through a contract with [Accenture](#). Outsourcing overseas, or "offshoring," has become a highly contentious issue in the U.S. (see [Headcount: Offshoring, Dude!](#) and [Headcount: Outlawing Offshoring?](#)).

The deal will now be put to the union's membership.

SBC claims its temporary operations team had "maintained high network reliability and kept millions of customers across the company's 13-state territory connected" during the strike.

— Ray Le Maistre, International Editor, [Boardwatch](#)