US West hardens stand against striking telephone workers

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US West has threatened to cut off medical, dental and vision benefits to striking telephone workers by the end of this month if the walkout is not ended. A US West statement said: 'Employees represented by the CWA, who have chosen to strike, face expiration of their health care coverage August 31 unless an agreement is reached or they return to work.'

Thirty-four thousand operators, customer services representatives, clerical and administrative workers, and technicians, members of the Communication Workers of America, went on strike August 16 after talks between the union and the company failed to reach an agreement. US West serves 25 million customers in 14 Western and Midwestern states.

In Connecticut, 6,300 workers, members of CWA Local 1298, walked out against Southern New England Telephone just after midnight Sunday, August 23. The key issue in that strike is parity pay and benefits with workers throughout the industry.

Talks between the CWA and US West are being held under the supervision of a federal mediator. Negotiations took place on Monday and Tuesday, but little progress was reported.

US West is using the Internet and wireless service to undermine the effectiveness of the strike. It has set up a web site to provide an online telephone directory as an alternative to directory assistance operators. It is also taking repair reports and service requests over its Internet site. Instead of repairing land lines, US West is giving its customers temporary cellular phones in cities where service is available.

In Salt Lake City, a Utah District Judge has issued a temporary restraining order against the CWA. The order prohibits CWA members from interfering with access to US West buildings. A hearing has been scheduled for Wednesday to see if the injunction will be made permanent.

The main issues in the strike are forced overtime, cuts in medical care benefits and the company's plan to peg wage increases to new productivity requirements. Last year US West employees worked 6.5 million hours of overtime--the equivalent of 3,200 additional jobs. The company is demanding that employees work unlimited overtime the rest of the year, and up to 65 hours a week starting in 1999.

The high levels of overtime are bound up with agreements the CWA entered into with US West to allow the cutting of more than 5,000 jobs over the last five years. During the same period the company has seen a 20 percent growth in its number of access lines, primary due to growth in Internet and other data services.

US West is also demanding that its medical plan be reorganized. Initially the company was demanding that workers pay thousands of dollars a year in co-payments or switch to a health maintenance organization. Just hours before the strike deadline the company proposed to place an $840 cap on out-of-pocket expenses, and the CWA has indicated that this might be acceptable.

Behind the hard line being taken by US West is its need to increase productivity to remain competitive in the telecommunications market. Productivity for the local exchange carriers is measured in number of employees for 10,000 access lines. The Regional Bell Operating Companies (RBOC) average 30-35 employees per 10,000 lines. US West, with its vastly scattered customer base, has one of the industry's lowest productivity rates.

In contrast, competitors such as Metropolitan Fiber Systems claim productivity rates of five employees per 10,000 lines. MFS can do this by concentrating in cities, building a fiber optic ring around downtown areas, with drop-offs at major corporate, government and health care centers. As companies seek to reach areas away from the large city centers and small business customers their productivity rates decrease, but not as low as RBOCs, which are required by law to provide universal access, including to far-flung rural areas.

To compete with the small independent carriers, the RBOCs are seeking regulatory changes that will allow them to increase rates for residential customers. (In fact, many of these changes have been implemented as part of the telecommunications act of 1996.) At the same they are demanding massive productivity increases from their workers.

US West is also seeking to tie wage increases for technicians to productivity goals set by the company. In 1995 the CWA agreed that part of the wages for service representatives could be tied to productivity quotas. US West claims that 80 percent of its service representatives are now covered by such an incentive pay. In a statement opposing the US West proposals, the CWA made it clear that it is not opposed to pay-for-performance schemes in principle, but only wants a place on a joint labor-management board to set such limits.

The major issues for workers are health care, overtime and productivity requirements. All of these, the CWA insists, are subject to negotiation. What the union is most interested in, however, is access to US West's growing sector of nonunion high-tech operations, particularly since US West is now one of the largest carriers of Internet traffic and a major investor in cable television networks. In previous agreements across the industry, the CWA has agreed to substandard wages and conditions for such workers, in exchange for the right to collect union membership fees. In a recent statement the CWA boasted that it had 'made gains in this area in bargaining this year with the other Bell companies and AT&T and Lucent Technologies.'

See Also:
New talks in US West strike
[21 August 1998]
Australian communication workers face new impasse
Telstra demands deeper cuts
[21 August 1998]
US telephone workers union ends strike against Bell Atlantic
[12 August 1998]