

Union accepts major concessions according to leaked summary of Con Ed agreement

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An unofficial summary of the terms of the tentative contract agreement between Consolidated Edison and the UWUA Local 1-2 appeared over the weekend.

The agreement was reached following a nearly four-week lockout of over 8,000 workers by the company. The unofficial summary indicates that the union has agreed to significant concessions. The official contract terms are expected to be released by the union either Monday or Tuesday.

The key changes, as outlined in the unofficial summary, appear to be as follows:

- * New-hires will be cut out of the existing pension system. Presumably, though this is not stated in what is so far available, they will be offered a “cash balance” (i.e., 401k-like) pension plan. Such schemes are extremely vulnerable to market fluctuations.

- * The company is permitted to fill 25 percent of vacant positions with non-union personnel.

- * Medical insurance payments will increase by approximately 20 percent for families over the life of the four-year contract.

- * The cost of co-pays for prescriptions will also increase.

- * Wages will increase between 1.5 and 2.5 percent annually over the four-year contract, plus the possibility of a 0.5 percent “merit pay” increase each year. There will be a \$1,200 bonus the first year and \$600 the second.

The proposed wage increases are unlikely to exceed inflation, meaning that real wages will fall. Over the last two years the monthly US inflation rate (annualized) has ranged between 1.5 and nearly 4 percent. By contrast with the current proposal, after a nine-week strike in 1983 the workers won wage increases of 14.5 percent over two years as well as improved fringe benefits. In the 2008 contract, wages

were increased 2 percent during the first year, then 3.5 percent in each of the next three years.

For the company, moreover, the nominal wage increases are balanced by shifting more of the burden of medical care onto the worker.

At the same time as workers are losing ground, Con Ed is reaping huge profits, \$1 billion last year and a total of \$5.9 billion since 2008. The current proposed contract seeks to extract even more profit from the workforce by cutting the company’s labor costs, especially with respect to pensions and health care.

The proposed contract provision that stipulates that one quarter of new hires can be non-union, plus the institution of a new pension system for new workers, are clear indications that the company wants to achieve maximum “flexibility” by increasing the proportion of employees with few if any benefits or protections.

The company is seeking to drive a wedge between old and new workers. This is part of a nationwide corporate strategy, initiated by President Obama’s restructuring of the auto industry, which, among other attacks, reduced the wages of new workers by half.

Although the details may change somewhat when the full contract proposal is made public, the broad outlines are clear. The union is collaborating with the company in further lowering the living standards of both current and future workers.

The WSWs spoke with Con Ed workers outside the company’s Irving Place headquarters just after the tentative settlement was announced on Thursday. A number of workers expressed reservations about the immediate return to work and fears about what the contract provisions might be.

Angel expressed skepticism and caution regarding the immediate return to work. “What did we get? I don’t like it. Why was everybody yelling when they heard

there was a tentative contract? You can't trust the union."

Marie interjected, "It could be like in 1981 when we were out for 9 weeks. There could be 3 tentative agreements before we go back."

"We can't refuse to go back in, but we are making a mistake," declared Angel. "I want to know what they are going to give me on my pension. Is the medical re-instated? Con Ed had cut it off for two weeks and then they were going to take out the payment in August, so are we covered for July? Now, we are collecting unemployment. If we go back, we won't get unemployment if the contract is not accepted and come back out on a strike. The union has not been paying us from a strike fund. We pay almost \$14 per week in union dues. If you multiply that times 8,500 members and times 52 weeks, that is millions."

Asked by the WSWS reporter how he saw Governor Cuomo's sudden intervention after four weeks of allowing Con Edison to risk public safety, Angel explained, "They are scared about the severe thunderstorm [that happened over the weekend]. That is why Cuomo got involved. The problem is votes. Cuomo wants to run for president."

Asked if he thought the lockout presented a problem for Obama's election. Angel continued, "They saw 8,500 workers and all the people who came to the rally. My opinion of Obama is he a lousy president. We have to pay for "Obamacare" or you get fined through the IRS. Obama made it worse. He doesn't see the people."

Asked about Cuomo's intervention, another locked out worker, Nigel, said, "I don't think Cuomo is on our side."



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