

Con Ed workers speak out against proposed contract

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The Utility Workers Union of America (UWUA) Local 1-2's official summary of the proposed Con Ed contract terms has now been made public on the union's web site, touching off an intense debate among workers, who had been locked out for nearly four weeks.

The essential features of the proposal closely resemble the unofficial summary that had been leaked last week. (See, "Union accepts major concessions according to leaked summary of Con Ed agreement"). However, the full Memorandum of Agreement is available at the union headquarters by appointment only. Most workers, therefore, will only have access to the summary when deciding whether to vote for the contract.

A key concession includes the institution of a two-tier pension system which relegates new workers to a "cash-balance" (i.e. 401(k)-like, without a defined payout) scheme, leaving them exposed to the loss of their retirement savings in the next market crash, just as so many did in 2008.

The union accepts the idea that young workers don't deserve the prospect of a decent retirement. The union's summary states, "As you have probably heard, the Company would not sign a new agreement without a cash balance pension." Indeed, the entire tenor of the union's comments consists of trying to sell the deal to workers on the grounds that it could have been even worse.

The union touts the idea that the company has agreed not to touch the existing workers' pension plan for the next 25 years. Workers who spoke with the WSWs have pointed out that this is just about the time when the current younger workers will be nearing retirement age. Since workers need a minimum of thirty years to qualify for retirement, those who currently have less

than five years are in danger of losing their pensions.

Con Ed has long wanted to institute a cash balance pension system. It was one of their demands during the last contract negotiations in 2008. It is already in place for managers. Little faith can be put in any pledge to give up this goal from a company that methodically planned and prepared during the course of a year for a lockout with the intent of imposing its terms on the workforce. The destruction of traditional pension plans is one of the main features of attacks on workers across the country.

There will also be significant increases in medical costs.

Wage increases will range between 2 percent and 3 percent per year over the four-year contract, barely keeping up with inflation at best. Even these raises will be all but eaten up by the increases in medical insurance payments, deductibles, and co-pays to which the union agreed.

The agreement also allows Con Ed to fill 25 percent of vacancies with non-union workers, who will have few if any benefits. The union will also collaborate with the company in a Contracting Out Committee that will oversee the use of outside contractors instead of union workers.

An intense debate has erupted among Con Ed workers about the concessions the union has accepted. This debate is evident on the union's Facebook page and among workers who spoke to the WSWs.

Bryant expressed concerns about the pension concessions to the WSWs. "I didn't see the union's memorandum of understanding for the contract yet. I heard there is an 'evergreen' clause that does not allow the pension to be negotiated for 25 years, protecting current workers. But it requires 30 years to get a full pension. So if someone has only 3 years now, after 25

years they have only 28 years. It might end up with him just getting a cash-out [a lump sum instead of a pension]. I have 12 years but, honestly, I don't want to stick around that long to see. I understand they will hire a lot of new workers in the next few years. There will be a lot of retirees now. I wouldn't trust the company now."

With the two-tier pension system, Con Ed will have an immense incentive to try to push out older workers.

Bryant also was not happy with the low wage increases. "In past contracts on wages, it was always a 3 percent progressive raise up to 5 percent, depending on performance. Now it is less."

Drawing a connection between Con Ed's successful lockout tactic ending in a contract with concessions and its profitability for its shareholders, Bryant said "I noticed Con Ed stocks went from \$48 or \$49 the last time I saw them, and now they are \$65."

A number of contributors on Facebook expressed a desire to fight, to vote down the contract and take strike action. They expressed concern that the contract was a rotten deal, especially for younger workers. "Anyone under 50 should wake up" one posting read. Others expressed a reluctance to vote down the contract, expecting this was the best they could get under the present circumstances. There was also distrust of the union summary. "Let's see the whole contract not just the highlights," one worker wrote.

The concessions made by UWUA Local 1-2 are in line with the attacks against workers across the country. The pattern was set by President Obama's restructuring of the auto industry in 2009, which involved massive cuts to pay and benefits, including the institution of a two-tiered wage scheme, cutting new and rehired workers pay in half.

The UWUA's capitulation is bound up with its determination to subordinate workers to the Democratic Party and the capitalist system. The union leadership has heaped lavish praise on New York's Democratic governor Andrew Cuomo for supposedly forcing the company to come to an agreement. In fact, Cuomo has overseen an intensified attack on workers throughout New York, as Obama has done at the national level.

Throughout the country, and indeed internationally, the corporate and financial elite is determined to utilize the economic crisis to enforce a drastic attack on the living conditions of workers. The Con Ed lockout was

part of this process.

There must be a fight back, but no confidence can be placed in the union to carry out a struggle. The contract proposal is a logical product of its collaboration with the company and the political establishment to impose attacks on its own membership, as the official trade unions are doing throughout the country. These organizations speak on behalf of a privileged layer of union executives that see their essential role as containing working class opposition and preventing it from taking on an independent form.

The SEP urges Con Ed workers to oppose the contract. To carry forward the struggle in defense of the jobs, wages and benefits of workers, requires an organizational break with the trade unions through the formation of independent rank-and-file committees. This must be tied to a political struggle aimed at uniting the entire working class against the capitalist profit system.



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