

# Verizon presses for new concessions from US telecom workers as contract talks begin

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Labor contracts covering workers at Verizon, one of the world's largest telecommunications services providers, are set to expire in early August. Talks between Communication Workers of America (CWA), the International Brotherhood of Electrical Workers (IBEW) and the company began on Monday.

Approximately 40,000 workers in the United States are covered under the contracts negotiated by the two unions, which have done nothing to prevent the decades-long attack on workers' jobs and conditions. Verizon employed 87,000 unionized workers in 2000 when it was formed by the merger of Bell Atlantic and GTE.

At Verizon's competitor, AT&T, 4,500 workers in the company's legacy division and 13,000 in its Midwest division have been working without a contract since April 11. The contract covering 22,000 workers in AT&T's southeast division expires on August 6.

Workers should have no illusions. Neither the CWA nor the IBEW have any intention of mounting a struggle on the workers' behalf. In fact, the two unions function as another level of management, which is determined to impose more concessions, a two-tier wage and benefits scheme and the continued destruction of thousands of jobs.

In August 2011, the CWA and IBEW abruptly called off a two-week strike, sending workers back without a contract. The unions instructed workers to continue to work without a contract for several more months before handing Verizon the concessions it initially sought. Work rule changes and the shifting of health costs to workers were among the key concessions.

As talks for a new contract begin, the primary concerns of Verizon workers are company demands for a further shifting of health care costs, the elimination and freezing of existing pensions and the further destruction of jobs.

The unions are allied with the Obama administration, which has made the shifting of pension and health care costs central to its economic policy. Under the misnamed Affordable Care Act, companies will have to pay a 40 percent excise tax if they continue to provide so-called "Cadillac" health care plans to employees. In one industry after another this has been used as the excuse by both management and the unions to increase out-of-pocket costs for workers and undermine their health benefits.

In the last few weeks, various members of the executive board at CWA Local 1101 in New York City have begun telling members that pensions will either be capped at 30 years or frozen at the number of years accrued when the current contract expires. In 2003 the unions agreed that employees hired after that year would be excluded from the pension plan.

Currently eligibility for a full pension at Verizon is determined by a formula requiring that the worker have at least 30 years on the job and be at least 55 years old. Many workers who were hired before 2003 but have less than 30 years are deeply concerned they will never be able to attain the full pension if the union agrees to more concessions. These workers, with 12 to 20 years at Verizon, know it is unlikely they will be able to get a job outside Verizon where they can work long enough to accrue retirement benefits.

One source who did not wish to be named told our reporters that a member of the Local 1101 executive board has been telling his members, "It's going to look a lot like what happened in New England," referring to the 131-day strike that ended in February at the telecom FairPoint Communications. The deal reached by the CWA included unprecedented concessions on pensions, health care and job security.

Another CWA member who wished to remain

anonymous told the WSWs that it is rumored the union bureaucracy was offering concessions to the company via unofficial channels before official bargaining even began. She went on to explain that the CWA has increasingly been acting like a company union, laying down company demands to the workers. Where they have not been laying down demands, she said, they have signed off pusillanimously on every management dictum. She pointed out that workers now routinely mock the union bureaucracy by repeating with gallows humor a line the union uses frequently when signing off on management decisions: “They can do that.”

Job security also weighs heavily on the minds of workers at Verizon. The percentage of Verizon’s workforce that is unionized has been falling precipitously for years. The CWA and IBEW now represent less than half as many workers as they did when Verizon was created from the merger of Bell Atlantic and GTE.

The unions primarily represent workers in Verizon’s declining wire line business, having secured only a few token positions in Verizon’s growing and profitable wireless division. In 2000 the CWA and IBEW sold out and ended a strike based on company promises that they would be allowed to represent Verizon’s wireless employees.

Currently the CWA is seeking the support of the Democratic Party to pressure Verizon to expand its build out of Fios, a wireline voice, Internet and TV service. Verizon has chiefly limited this service to densely populated and generally more affluent areas, considering it unprofitable to lay miles of fiber optic cable in rural areas where subscribers are few and far between.

The unions—which have no doubt already assured leading Democrats that they will continue to lower costs for the telecommunications giants—want the government to force Verizon’s hand on this matter in order to boost the flagging rolls of dues-paying members to the CWA and IBEW.

The Democrats, for their part, seem to have little desire to demand a universal service requirement of Verizon’s TV franchise.

Verizon’s CEO, Lowell McAdams, has repeatedly made clear that the company’s primary obligation is to its Wall Street investors. By destroying workplace rules, Verizon is trying to squeeze as much productivity

from workers as it can. Employees are already electronically monitored, with every move they make recorded, documented and analyzed. Employees are questioned, threatened and harassed by managers analyzing GPS and other dispatch data.

Employees can receive lengthy suspensions and are even terminated for minor work rule violations. The CWA functions as management’s police force, reminding field workers to “be where you’re supposed to be” and citing Verizon’s Code of Conduct, which was imposed unilaterally by the company.

*The author recommends:*

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[12 August 1998]



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