How the IBEW betrayed the 2014-2015 FairPoint Communications strike

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The strike by nearly 40,000 Verizon workers in the Northeastern and Mid-Atlantic states, which reached its two-week mark on Wednesday, is at a crossroads. The giant telecom, backed by powerful financial interests, is carrying out a well-planned strikebreaking operation and remains intransigent in its demands for sweeping health care, pension and wage concessions. On April 30, the company is cutting off health care benefits for all strikers and their families.

In the face of this assault, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW), along with other AFL-CIO unions, have left the strikers isolated. In place of a real mobilization of the working class, the unions have staged phony "solidarity" rallies involving union executives who have a long record of betraying their own members. The CWA and the IBEW have also told workers to place their faith in the Democratic Party, which has long sided with the telecommunication monopolies against workers.

If this struggle is not to be defeated like the 2011 Verizon strike and countless others, rank-and-file workers must take the conduct of the fight into their own hands and appeal directly to workers throughout the US and internationally to join them in a common struggle.

Within this context it is important to review the experience of the last major strike by telecom workers, the 2014 struggle against FairPoint Communications, the North Carolina-based firm that bought a portion of Verizon New England's operations in 2008 for $2.4 billion. In 2009, Fairpoint—by then the eighth largest phone company in the US—entered Chapter 11 bankruptcy. On October 14, 2014, three years after emerging from bankruptcy, the company froze the pensions of nearly 2,000 workers in Vermont, New Hampshire and Maine who had built the company.

Three days later, on October 17, 2014, the longest US strike of the year began. It lasted 131 days, through the holiday season and into February 2015. More than 40 percent of FairPoint's employees joined the pickets.

In Maine, workers were represented by Local 2327 of the International Brotherhood of Electrical Workers (IBEW), which provided no strike fund. Instead, striking employees had to seek part-time jobs to support their families. Peter McLaughlin, a lead negotiator for the local, told the web site *InsideSources* , "We went into this knowing we had to take concessions." The CWA also represented workers from some areas of northern New England.

FairPoint had purchased Verizon's landline business in all three states at the end of March 2008 and was demanding deep concessions in the union contracts it had inherited. Shortly after the contracts expired in August 2014, the company declared a bargaining impasse as an excuse for imposing cuts.

FairPoint, which had filed for bankruptcy in October 2009 and emerged a little more than a year later, was determined to extract as much as possible from its telecommunications workers. Spokesperson Angelynne Amores Beaudry told *InsideSources* "the unions have dug in on almost all of their current benefits under contracts from a bygone era."

Federal mediators undug the heels of union negotiators, who agreed to vicious cuts. When asked by the *Portland Press Herald,* McLaughlin would not disclose how many workers voted to approve the deal. Instead, a joint statement issued by FairPoint and the unions claimed that the deal would "provide employees with wages and benefits that are among the best in northern New England."

In truth, the agreement guaranteed a raise of only 1 percent in August 2016—a year and a half after ratification—and an increase of 2 percent a year after that. An insulting “delayed ratification payment” of only $500 was added. Sick days, which previously were unlimited, are now capped at six per year.

Retiree medical benefits were axed for workers who were not yet retirement-eligible. Those who had reached a certain age could get a monthly health insurance “stipend” if they retired during the first 30 months of the new contract, but not if they were over age 65. Accruals in the defined benefit pension plan were cut in half.

Under the new contract, the IBEW took over administration of workers’ health insurance, saving FairPoint about $10 million per year. Such agreements have enabled the International to build up nearly $125 million of assets in 103-12 benefits entities, along with almost $180 million of stock investments.

At the beginning of the contract negotiations, FairPoint demanded a total of $700 million worth of concessions; the starting point of the unions was that they were willing to give up at least $200 million. When asked by the *Portland Press Herald,* the IBEW would not provide a figure for how much they gave up in the final agreement.

The IBEW’s craven perspective was expressed in its appeals for FairPoint—which was owned mostly by hedge funds—to be sold after the contract was signed. McLaughlin happily told the *Bangor Daily News* that FairPoint was “ripe” for acquisition and that “this agreement makes it even more appealing.” IBEW Business Agent Jen Nappi told the *News,* “I pray to God someone comes in and buys us.” FairPoint likely had the same goal in mind when it laid off 200 workers after the strike ended.

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