

Seven-month Spectrum strike in New York and New Jersey highlights assault on pensions

Mark Witkowski
30 October 2017

One thousand eight hundred workers in New York City and in Bergen county, New Jersey remain on strike against cable TV and internet provider Spectrum, seven months after walking out on March 28. The field technicians, warehouse workers and engineers are fighting to defend their pensions, health care benefits and to oppose management harassment.

The workers are members of the International Brotherhood of Electrical Workers Local 3 (IBEW). The strike has been isolated by the IBEW, and the much larger telecom union, the Communications Workers of America (CWA), which are determined to prevent a unified struggle of workers against the relentless attack on jobs and living standards by the telecom giants and the two big business parties that have facilitated the wave of mergers and acquisitions and the domination of the industry by a few monopolies.

Most of the picket lines have been shut down and many workers have been forced to take other jobs, from Uber driving to bartending, while the strikebreakers are driving around town with impunity.

Prior to calling the strike, the IBEW kept the cable installers, repairmen engineers and other workers on the job for nearly three years without a contract after the expiration of the previous agreement in 2013.

In May 2016 Charter Communications bought up Time Warner Cable, creating Spectrum. Prior to the change in ownership, Time Warner had paid into the IBEW joint pension fund known as the Joint Industry Board for the electrical industry, or JIB. The JIB is a multi-employer pension fund, which covers 90,000 IBEW members and includes 500 corporations, from small electrical contractors to Johnson Controls, Honeywell, Siemens Medical, General Electric and other large corporations. It has an estimated worth of \$3.12 billion.

The fund, however, has future liabilities of \$3.82 billion, i.e., it is underfunded by some \$700 million,

largely because of concessions handed over by the union that allowed the telecom companies to skip or reduce their payments. Spectrum workers who are vested in pension and health care benefits now face the loss of the benefits they have paid for.

After acquiring Time Warner, Spectrum initially continued its payments into the JIB. It then proposed reducing its funding and finally to withdraw from funding the JIB entirely. Only then did the IBEW call the strike.

The IBEW's sole concern is maintaining the JIB, which is essentially a slush fund for the union execs, even if it means imposing far deeper attacks on current and retired workers. Like many businesses, the unions are deeply entwined in the financialization of the US economy, which has seen an ever-growing proportion of corporate profit being generated through speculation and the stock market rather than the manufacture of commodities or provision of services. In the case of the JIB, the union executives rely on stock market returns from investing the members' pensions as much as they do on members' dues. Therefore, union officials have a financial incentive to boost company share values—through wage and benefit cuts, increasing productivity, etc. Like the companies, the union business execs also benefit from shortening the life expectancy of workers so as little is paid out in pensions and retiree health care benefits as possible.

This would not be the first time a large company has pulled out of a multiemployer investment plan. In 2007, UPS withdrew from the Teamsters' Central States Pension fund. With the withdrawal of UPS, the plan was paying out three dollars for every dollar it took in by 2015. The "solution" of the fund director, Thomas Nylan, who was compensated \$662,000 in 2013, was to slash the pensions of thousands of retirees.

This was made possible by the Multiemployer Pension Reform Act of 2014, a bipartisan action that amended the Employment Retirement Income Security Act (ERISA) of

1974. ERISA prohibited eliminating or reducing the benefits of workers who had retired. The Obama administration and Congress pushed the 2014 Multiemployer Pension Reform Act in response to recommendations made by a joint labor management organization, the National Coordinating Committee for Multiemployer Plans (NCCMP). The Obama administration also backed the forced bankruptcy of the city of Detroit, which led to the first ever attack on public employee pensions.

Several unions collaborated with the Obama administration in the 2014 legislation, including the IBEW. The recommendations the union made were published in a report entitled “Solutions, Not Bailouts,” which proposed that multiemployer plan trustees, appointed by the union and the company, could “adjust” and reduce the pensions of retired workers if the plan becomes “significantly underfunded.”

This also allows a labor-management organization like JIB to keep control over the portfolio rather than turn the bankrupt funds over to the government insurer, the Pension Benefit Guaranty Board (PBGC). IBEW International President Edwin D. Hill and International Secretary-Treasurer Sam Chilia made statements urging Congress to pass ERISA reform based on their “Solution, Not Bailouts” recommendations in an IBEW News Press Release of February 27, 2013. Hill glorified the union-company collaboration, saying, “Multiemployer retirement plans are one of collective bargaining’s true success stories, showing how labor and management can work together...”

The IBEW officers argued that the lucrative pension portfolios should stay in the hands of the union and companies even as they were becoming “significantly underfunded.” The solution the unions and management recommended was that union rank-and-file workers and retirees pay for the funding shortfall.

In the IBEW these business interests are a family affair. Harry Van Arsdale was the Local 3 business manager from 1933 to 1968, and also the long-time head of the New York Central Labor Council. His brother, Thomas Van Arsdale, took over and was IBEW Local 3 business manager until 2006, when his nephew, Christopher Erikson was appointed to succeed him. The current business manager and pension fund trustee is Lance Van Arsdale, a 1985 graduate with a degree in labor-management relations from the Harry Van Arsdale Jr. Center for Labor Studies.

While union officials are looking for some deal to shore

up their institutional interests, at the expense of workers, the company’s attack on pensions will have a very real and devastating impact on workers.

As the WSWS has noted, “The drive to dismantle pensions is part of a conspiracy to destroy all of the social gains won by workers over the course of more than a century of struggle—a conspiracy that extends beyond America to the entire world. Because of this ruling-class offensive, the share of US private sector workers receiving only a defined-benefit pension has fallen from almost 30 percent in 1980 to less than 3 percent today.”

Corporations are going after pensions, the last significant wealth held by sections of the working class. Nearly all the gains made by workers over the last 100 years have been taken back by the corporations. There’s little else left to take. It’s not simply the greed of individual CEOs or “corporate greed” for that matter. The demands for give-backs from workers are driven by finance capital which demands that each quarter be more profitable than the last for shareholders.

Local 3 has aided Spectrum in its attacks by isolating the Spectrum strikers. No effort has been made to unify the Spectrum workers with workers in other divisions of Local 3 by broadening the strike to other industries, such as construction. Nor has there been any effort for a united struggle with telecom workers in Verizon or AT&T where pensions and benefits are also under assault.

In addition to isolating the Spectrum workers, IBEW has promoted the Democrats, including New York City Mayor Bill de Blasio, who answer to the same financial aristocracy as Trump and the Republicans.

There is growing anger over the destruction of pensions and the drive to lower the life expectancy of workers. This means there are powerful potential allies of the Spectrum workers. But the conduct of the struggle has to be taken out of the hands of the IBEW and other unions, through the election of a rank-and-file strike committee, and used to spearhead a counter-offensive by the widest sections of workers to fight for the social right to good-paying and secure jobs and a comfortable retirement.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact