Verizon and CWA cut a deal to shift healthcare costs to workers

Our reporter
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This article was written by a New York City Verizon worker.

Verizon, the second-largest telecom company in the US in terms of revenue, and the Communications Workers of America (CWA) cut an unprecedented deal to extend current labor contracts, with modifications, for four years beyond their current expiration date in August 2019. What is unprecedented is the four-year length of the extension as well as the fact that the agreement was reached nearly one full year before expiration. While the deal is being called an extension, it is in fact a new contract.

In 2016, 36,000 Verizon workers conducted a courageous seven-week strike, which was isolated and betrayed by the CWA. The union imposed a deal brokered by Obama's labor secretary that imposed substantial concessions, particularly regarding out-of-pocket healthcare expenses. With the telecom giants making huge profits and squandering billions on mergers, stock buybacks and dividend payments to their richest investors, the CWA fears a rebellion by rank-and-file workers and hopes to ram through the contract extension as a preemptive blow against workers.

The deal comes as the CWA is keeping thousands of AT&T workers in the Midwest and other regions on the job despite the expiration of the contracts. The deal, which workers are expected to vote on in a few weeks, was hailed by *Fortune* magazine in an article, titled, "Verizon Extends Union Contract, Avoiding Possibly Tough Labor Talks Next Year."

One of the key provisions of the tentative agreement is the continued shifting of medical costs from the company onto the backs of its aging workforce. At the time of this writing, full details have yet to emerge. The company and union have issued statements confirming that there will be higher healthcare costs for employees and retirees.

It is unlikely, however, that the full extent of the burden will be known until workers and their families go to medical providers, hospitals and pharmacists and are confronted with higher and unexpected costs. After the signing of the 2016 agreement, members in New York City were not provided copies of the full contract until spring of 2018. One can expect that members will not know the full details of the current deal for a long time.

The wage increases in the contract start at an insulting 2.5 percent the first two years, 2.75 and 3 percent in each of the last two. This is in line with the union bureaucracy's determination to prevent any significant increase in wages, which would threaten the current stock market bubble and the investments of the union bureaucracy itself. The paltry raises will not keep pace with the increasing cost of living, especially in the already expensive urban centers in the Northeast where many of the workers reside. Increases to the existing pension bands are a negligible 1 percent.

And nothing will be done to oppose the abusive conditions on the job, which all worsened after the sellout of the last strike. This includes electronic monitoring of workers to extract ever-greater productivity, resulting in greater stress and physically exhausting conditions.

For its part, Verizon is under pressure from Wall Street to cut its debt load. Verizon and other telecom monopolies have announced that they will be building out a 5G wireless network. 5G is a wireless technology, which provides a sharp increase in bandwidth for high-speed data transmission compared to the existing 4G system.

Due to the nature of the radio frequencies used in 5G,

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the cell sites it uses cover a much smaller geographical area than traditional cell towers. The greater the density of these new 5G transmitters, the greater the bandwidth will be and the number of devices that can be connected.

For this reason, Verizon will need to install thousands, even tens of thousands of new smaller 5G transmitters on existing telephone poles, light poles and elsewhere. This involves the placing of multiple thousands of miles of fiber optic cable to connect the mini sites to the network. All of this requires a great deal of labor and money.

The company intends to extract these costs from workers by ridding itself of higher-paid workers with better medical plans and retiree benefits, who installed its original land lines, which allowed the company to reap huge profits, and increasingly replace them with lower-paid workers with substandard healthcare and retiree plans.

Other issues affecting Verizon are creating a strong demand for labor. Verizon has for years been placing new telephone poles in the ground alongside old ones without removing the old ones or even the attachments to these old facilities. They are now under pressure by regulators to remove the so-called "double wood," which is both unsafe and unsightly.

New York City took Verizon to court and is forcing them to stop cherry-picking areas to install its profitable FiOS Internet and TV service. Verizon had been installing the service only in areas where it could maximize profits and avoid competing with other carriers. Verizon top executives have in the past commented on how they stay out in their own "sandbox" as they sometimes call it, referring to the way the telecom cartels have carved out their own service areas. Where those areas overlap there is essentially no difference in pricing or service options.

Verizon asked for the contract extension because it was looking for givebacks in advance of the contract expiration, and the CWA was more than happy to accommodate, signing the deal behind the backs of workers. The announcement that talks to extend the contract were planned was delivered to employees in an email from Verizon Vice President Marc Reed, not the CWA. The announcement came as a surprise to employees. Even local CWA officers seemed surprised by the seemingly abrupt deal by the national union and it took them some time to respond.

With the company in need of so much experienced labor to install the new technology over the next few years, it is clear that rank-and-file workers have greater leverage if they strike. That is precisely why the CWA, which boasted that it saw a "marked improvement" in its relationship with management after the last strike, wants desperately to prevent any struggle.

The CWA, which postures as an ostensibly "left" union and has the closest ties to Bernie Sanders, functions as a labor management syndicate for the big telecoms. It has deliberately blocked the efforts by Verizon workers to unite with the ATT and Spectrum workers in New York and New Jersey, members of the International Brotherhood of Electrical Workers (IBEW) who have been on strike for nearly 16 months with no end in sight.

Well aware of the growing radicalization of the working class, highlighted by the wave of teacher rebellions earlier this year, the CWA is desperately trying to beat back the rising opposition of telecom workers.

If workers are to defend their conditions, they will have to elect rank-and-file committees to take the conduct of the struggle out of the hands of the CWA. A campaign must begin now to demand the full contract, including all secret codicils, and sufficient time to read and discuss it so workers can reject the sellout with the contempt it deserves.

Rank-and-file committees should reach out to AT&T, Spectrum and other telecom workers, as well as workers in other industries facing struggles, like the UPS workers rebelling against Teamsters-backed concessions. They should also reject the nationalism of the unions and reach out to telecom workers internationally. This is the road to build a powerful movement of telecom workers against the giant monopolies, the Wall Street banks and both big-business parties.

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