Labor-management bargaining in 1992

The economic and institutional interests of labor and management often clashed, as companies attempted to stay viable by cutting labor costs, and unions sought to protect their members by opposing such actions.

The economy's inability to emerge from a 2-year recession and the fallout from defense cuts contributed to difficult negotiations in 1992 for unions and management. Several key unionized industries were forced to downsize and lay off workers. For example, weakened demand for steel (particularly from the sagging auto industry) and overcapacity brought losses for many integrated steelmakers; aerospace companies were generally hard hit by the recession and defense cutbacks; most major airlines posted net losses because of summer fare wars, soaring fuel costs, and a sluggish economy; and heavy machinery companies were adversely affected by softening sales because of slow growth here and abroad. Several other industries also experienced economic difficulties because of the prolonged recession, weak sales, foreign competition, or government regulations.

During 1992, management and labor negotiators continued to grapple with pressures to reduce or at least stabilize labor costs in the face of stiff foreign competition, the effects of deregulation in the transportation industry, structural and technological changes in many industries, and the spiraling cost of health care. Many companies subcontracted work to nonunion shops, moved plants overseas, to Mexico, or to "right-to-work" States, closed obsolete facilities, reduced staff, and introduced new production methods. As a result, many negotiations focused on how to preserve jobs and keep companies economically viable in a sluggish, changing economy.

However, health care costs and benefits continued to be the most common and most contentious bargaining issue. In some cases, unions traded all or part of a wage increase to avoid a cut in health care benefits or a shift of health insurance costs to their members. In others, they agreed to cost containment provisions, such as increased employee deductibles and coinsurance payments, a second surgeon's opinion on nonemergency operations, and offering preferred provider and health maintenance organization plans.

Organized labor's economic and political fortunes continued to slip in 1992, as:

- the United Automobile Workers (UAW) members returned to work unconditionally at Caterpillar Co. after a failed 5-month work stoppage;
- the Amalgamated Transit Union gave its members permission to return to work at Greyhound without a contract after a failed 2-year walkout;
- General Motors (GM) announced plans that are expected to result in the closing of 21 plants, slashing 74,000 jobs over the next 3 years;
- unionized companies such as AT&T, McDon-
nell Douglas, Amoco, and Alcoa downsized, and Pan American ceased operations;
• organized labor compromised on its long-held position on strike replacements by offering to send disputes to fact-finding panels and restrict its right to strike in exchange for a ban on the use of permanent strike replacements;
• Congress effectively placed new restrictions on railroad unions’ already limited right to strike and to determine contract terms through the collective bargaining process; and
• the new Teamsters leadership, elected on an anti-corruption platform, became embroiled in a dispute with the Federal Government over government control of the union.

Two indicators of the condition of labor-management relations in 1992 are the Bureau of Labor Statistics data on major work stoppages (strikes and lockouts involving 1,000 workers or more) and on major collective bargaining settlements. Most measures of work stoppage activity were lower than in the previous year. By the end of November, there were 41 work stoppages that involved 339,000 workers and nearly 3.9 million days of idleness (amounting to about 2 days of 10,000 available work days during the 10-month period). Comparable figures for the same period a year earlier were 44 stoppages, 410,000 workers, and almost 4.2 million days of idleness. Although the work stoppage data imply a continuation of industrial peace, they belie undercurrents affecting labor-management relations, particularly the weakening of the strike as an economic weapon and the continued conflict between employers’ need to cut costs—through changes in wages, compensation, work rules, and staffing—and unions’ attempt to protect their members by blocking such actions.

Data on major collective bargaining settlements showed the average wage rate change under settlements in private industry during the four-quarter period ended September 30, 1992, was an increase of 3.1 percent annually over the life of the contract, compared with 2.9 percent when the same parties last settled, typically in 1989 or 1990.

These statistics conveniently summarize some of the outcomes of the 1992 contract talks between organized labor and management. However, they mask the specific problems the parties faced in negotiations, as well as the variety of solutions they attempted. Many of these are described in the following discussion of developments in individual industries and firms.

Automobile industry

Although the “Big-Three” (Ford, GM, and Chrysler) domestic automakers did not conduct master contract negotiations last year, significant events in the industry centered on red ink, layoffs and plant closings, corporate restructuring, shake-ups in the corporate suites, and labor disputes. Three disputes at GM highlighted its contentious relationship with the UAW, brought about by the automaker’s plans to downsize operations and the union’s efforts to block these moves. The disputes also foreshadowed tough negotiations in 1993 when contracts expire between the “Big-Three” and the union.

In an attempt to stem its losses ($15 million a day in 1991) and restore operations to profitability, in April, GM announced capital spending cuts and plant closings and layoffs in its North American operations over the next 3 years that could result in closing 21 of its 32 assembly, engine, and parts plants. By the end of 1995, GM expected to have slashed its North America salaried work force by 20,000 (to 91,000) and its hourly work force by 54,000 (to 250,000). The company estimated that in 1992 alone, some 9,000 salaried and 15,000 hourly jobs would be eliminated through attrition, retirement, and layoffs. Coupled with cuts in bonuses and the elimination of stock-incentive compensation for most GM executives, the plant closings and job cuts were expected to save $2 billion in 1992 and $5 billion a year by 1995. (Reportedly, GM lost $1.99 billion in 1990 and $4.45 billion in 1991.) Later in the year, GM announced it would close 23 plants and eliminate 80,000 jobs by the end of 1995.

Initially, GM did not specify which plants would close, leaving its employees uncertain about their futures. The UAW accused GM of attempting to gain concessions while it decided which plants to close by 1995. As an example of this strategy, the union pointed to GM’s decision in February to close an assembly plant in Willow Run, Michigan, where workers had refused to make concessions, while keeping open a similar plant in Arlington, Texas, where workers had agreed to work rules changes advantageous to GM.

GM subsequently announced that it would approach workers at various plants to seek concessions or relaxed work rules, such as those negotiated at the Arlington, Texas, plant. The union replied that such a strategy could provoke a strike and that such concessionary agreements would not hold because the master and local agreements stipulated that the international union must approve contract modifications.

In the meantime, GM pressed the international union to reopen its 3-year master agreement that expires in September 1993. According to insiders, the company wanted to eliminate the contract’s requirement that GM hire one worker for every two that leave or retire, require employees to take vacations instead of filing for unemployment
benefits during a 2-week summer shutdown period, and modify various local work rules and work schedules. UAW leaders reportedly told GM privately that they could not even consider reopening the agreement until after the union's convention because of a potential backlash by union dissidents. Publicly, the union held to the "complete enforcement of the current contract" and cautioned GM against "any attempt by the corporation to divide UAW members by pitting local against local, or plant against plant," and "whipsawing" the membership, that is, forcing workers at one plant to compete with those at another in giving concessions.

In what might be considered early tests of GM's resolve to downsize its domestic production facilities and a signal of the union's commitment to play hardball, the parties became embroiled in three disputes related to worker cutbacks. The first involved 2,400 workers at a Lordstown, Ohio, parts-stamping plant who conducted a crippling 9-day work stoppage over the transfer of some 240 tool and die jobs to other GM plants. As part of the settlement, GM agreed to postpone the shutdown of the tool and die shop until January 1, 1994, and to expand metal-stamping operations at the Lordstown plant.

At its peak, the stoppage led to layoffs of an additional 38,000 workers at nine GM assembly plants, and demonstrated the company's vulnerability to strategic work stoppages because of its "just-in-time" production process, where assembly plants receive parts only as they are needed in the production process.

In the second dispute, the union struck a GM body assembly plant in Lansing, Michigan, when management and union representatives were unable to resolve differences over scheduling rest periods. The 4-day dispute resulted in the walkout of 4,200 Auto Workers at the plant and the layoff of an additional 3,000 workers at another plant in Lansing. (See Monthly Labor Review, November 1992, p. 51, and December 1992, p. 53, for additional details.)

The third dispute involved about 3,400 GM workers at a key parts manufacturing plant in Anderson, Indiana, who threatened to strike over a company decision to subcontract some work, eliminating about 250 jobs. A peaceful settlement was reached when GM agreed to bring the work back into the plant and add about 240 jobs over the next 2 years in exchange for the union's pledge to cooperate in cutting costs.

In an apparent strategy to downsize without confrontation, in mid-October, GM was considering special incentives to lure thousands of older production workers into early retirement. The proposals reportedly would include incentives to workers who are at least 50 years of age and have 10 or more years of service, and would waive the rule that calls for reduced pension benefits for retirees who take post-retirement jobs. Reportedly, the buyout would be aimed at trimming the company's ranks of so-called "Jobs Bank" workers who can collect up to 100 percent of their take-home pay while on layoff status. (See Monthly Labor Review, January 1991, pp. 20-21.)

Earlier in the year, GM's outside directors ousted Robert Stempel as head of the corporate board's executive committee and demoted Stempel's handpicked president, Lloyd E. Reuss, and replaced him with John F. Smith, Jr. (Smith previously had directed GM's profitable European operations). Later, Stempel resigned under pressure from GM directors, who were impatient with the slow pace of downsizing and cost-cutting. GM then announced a major reorganization of its North American operations, consolidating its six separate carmaking divisions into four, and making the company smaller and less vertically integrated.

UAW's top negotiator at GM chastised GM's outside directors for urging GM managers to demand greater cooperation from the unions in implementing cutbacks, saying the union "recognizes that GM has real problems that require real solutions..., we are prepared to be a part of the solution."

Apparently, the lines are already drawn for 1993 negotiations. GM is expected to seek contract changes that will allow it to aggressively cut labor costs by permanently closing plants and slashing jobs without draining the company's financial reserves, reduce the company's medical insurance costs, and institute lower wages for workers at parts plants. The union is expected to fight these efforts.

Railroad industry

In 1992, President George Bush established three emergency boards (numbers 220, 221, and 222) to hear and make recommendations for settlement of three major railroad disputes. The boards covered unresolved disputes between the Nation's major freight rail carriers and the International Association of Machinists; the Consolidated Rail Corp. (Conrail) and the Brotherhood of Maintenance of Way Employees, and the National Railroad Passenger Corp. (Amtrak) and various unions. One of the disputes resulted in a shutdown of the Nation's freight rail system, forcing the Congress to pass ad-hoc legislation ending the stoppage. The legislation effectively placed new restrictions on rail labor's already limited right to strike, drawing the ire of several union leaders. The legislation required the "last, best offer" scheme as the final settlement mechanism, a radical change from
Railway Labor Act emergency dispute procedures and from previous ad-hoc legislation related to the railroad industry. In the end, the disputes brought numerous calls for changes in the Railway Labor Act from the Congress, Administration officials, and industry leaders.

The disputes began during the 1998–91 round of national negotiations in the rail industry. Most of the Nation's major railroad freight carriers and ten railroad unions participated in bargaining talks, which were concluded only after the appointment of a presidential emergency board (number 219) and ad-hoc legislation that ended a 1-day work stoppage on April 1, 1991. The legislation imposed the recommendations of Emergency Board No. 219 on the 10 unions. (See Monthly Labor Review, January 1992, pp. 22-23.)

The Machinists did not participate in the national negotiations, nor did Amtrak; Conrail participated only for some crafts or classes. The nonparticipating parties initially tried to resolve their bargaining differences through direct negotiations, but when talks failed, they requested the services of the National Mediation Board, the Federal agency responsible for administering the Railway Labor Act.

On March 2, 1992, the National Mediation Board declared that an impasse had been reached in each dispute and proffered voluntary arbitration to resolve them. After one or both parties declined the Board's offer, the arbitration board terminated its mediation services on March 4, thus triggering a 30-day "cooling-off" period. At the end of the 30 days, the carriers would have been permitted to lock out the employees and make unilateral changes in their collective bargaining agreements, and the unions would have been free to strike. Instead, on March 5, the board advised President Bush that, in its judgment, the disputes threatened "to deprive . . . section(s) of the country of essential transportation services"; and the President, in turn, established the three emergency boards, effective April 3.

In their reports, the emergency boards basically recommended the wage, health care, and work rules terms imposed by the 1991 ad-hoc legislation. The unions rejected the recommendations, characterizing them as "unacceptable." The Machinists' chief negotiator claimed the recommendations asked for too many union concessions on health insurance copayments, did not protect employees against "union busting" and subcontracting, and failed to recognize skill differentials in different types of work.

Following a 25-day cooling-off period that ended June 24, 1992, the Machinists struck CSX, one of the major rail carriers. The strike resulted in the shutdown of the entire freight rail system when the remaining 39 carriers involved in the dispute locked out their employees, claiming they could not operate with the CSX down.

On June 26, President Bush signed ad-hoc legislation requiring workers to return to work and making the dispute subject to mediation–arbitration procedures. The legislation also blocked potential work stoppages at Conrail and Amtrak. The unions criticized the legislation, saying it placed new restrictions on their already limited right to strike.

Under the legislation, the parties were covered by a 38-day "cooling-off" period. During the first 3 days of enactment of the legislation, each party was required to choose an arbitrator from a list maintained by the National Mediation Board; within 6 days of enactment, the two selected arbitrators selected another individual from that list to serve as the sole arbitrator for the dispute.

The parties had 20 days from enactment of the legislation to negotiate a settlement. If an agreement was not reached within that period, they had 5 days to submit their final and best offer to the arbitrator. The arbitrator then had 7 days to mediate the dispute. Failing that, the arbitrator had 3 days to decide which final offer to accept, and the President had 3 days to accept or reject the arbitrator's decision. If the President accepted the decision, the terms would become binding on the parties; if he vetoed the decision, the unions would have been free to call a strike and the carriers could lockout the workers.

Several of the individual bargaining disputes that were subject to the mediation–arbitration process were settled at the bargaining table without the appointment of neutrals. Four impasses were resolved by the arbitrators: the Machinists and the 40 carriers involved in national bargaining; the Machinists and Amtrak; the Dispatchers and Amtrak; and the Locomotive Engineers and Amtrak. The arbitrators choose Amtrak's final offers in disputes involving the Machinists and the Dispatchers, and picked the Locomotive Engineers' final offer in the third Amtrak dispute. In the dispute involving the 40 carriers and the Machinists, the parties agreed to change the settlement process: instead of using the final, best offer procedure, the arbitrator issued separate decisions on several issues, including wages and work rules. President Bush accepted the arbitrators' rulings in all four cases.

Aerospace industry

The lead-off settlement in the 1992 bargaining round in the aerospace industry was between The Boeing Co. and the International Association of Machinists. Bargaining against a background of the stalled economy, defense cuts, and softening orders for new jets, the negotiators forged a peace-
ful settlement that satisfied the employees' desire for economic and job security and the company's goal of keeping labor costs in line. The negotiations were in stark contrast to those conducted the last time the parties bargained (in 1989), when agreement was reached after a 7-week work stoppage.

Once again, the Boeing-Machinists agreement was not expected to set a pattern for settlements at other aerospace companies involved in the industry's 1992 bargaining round. (The 1989 Boeing-Machinists accord had been the industry's first lead-off settlement in 50 years that did not set a pattern for subsequent contracts.)

Contract talks began in August to replace the 3-year collective bargaining agreement that was to expire in October. After 2 months of intermittent bargaining, the parties reached agreement on a 3-year contract which called for:

- a lump-sum payment in the first year equal to 12 percent of an employee's annual pay for 1992;
- wage increases of 3.5 percent on October 4 of 1993 and 1994;
- continuing the cost-of-living adjustment provision;
- establishing a two-tier wage system with lower rates for new hires in the six lowest level job classifications, but an increase in rates for new hires in the four highest level classifications;
- maintaining fully paid health care coverage for employees and their dependents, but modifications in group benefits;
- a new referral service with a network of preferred providers for the treatment of alcohol and drug abuse, mental illness, and eating disorders;
- increasing the employee copayment for prescription drugs;
- a 5-year recall period for employees with 3 or more years of service who have been downgraded or laid off;
- a 7-year period for downgrade rights for employees with 5 or more years of seniority;
- a 5-year period for lateral transfer return rights for employees with fewer than 5 years of service; and
- downgrades and layoffs based on seniority order for employees with 1 or more years of seniority, and by division or branch seniority order for employees with less than 1 year of service.

In October the Seattle Professional Engineer ing Employees Association began negotiations with Boeing on contracts covering 28,000 scientists, engineers, and technical employees. The union said wages, cost-of-living protection, medical benefits, and job security are major issues in the contract talks. In late November, tentative agreements were reached between the parties, but were rejected by the rank and file.

Telephone industry

One problem facing unions involved in collective bargaining in the telephone industry was the difficulty of conducting successful strikes, given the nature of the industry. Because the industry is highly automated and has a large management work force, a strike would have to last several weeks before there would be any significant deterioration in customer service. Although several strike deadlines passed during contract negotiations between AT&T and six regional Bell operating companies and their two major unions (the Communications Workers of America [CWA] and the International Brotherhood of Electrical Workers [IBEW]), the unions chose to avoid strike action, departing from the 1989 bargaining strategy, when work stoppages preceded four settlements. Instead, the unions used a corporate campaign, urging AT&T customers to switch to other long-distance carriers. In the end, the unions received acceptable economic terms, and the companies got the flexibility they needed to stay competitive in the rapidly changing industry.

The 1992 round of collective bargaining actually began in September 1991 when, 11 months before their contracts were to expire, NYNEX and the Communications Workers and the Electrical Workers extended their contracts, covering about 57,000 employees, for 3 years. (See Monthly Labor Review, December 1991, p. 60, for details of the contract terms.)

In March, AT&T and the two unions (representing 125,000 workers) began negotiations to replace their contracts which were to expire May 30. The talks focused on job security and competitiveness. CWA president Morton Bahr said the union's goal was "to end the layoffs and downsizing and re-establish employment security and job growth at AT&T." A company official called guaranteed jobs for all employees "unrealistic" (during the last 3 years, AT&T had slashed its work force by 36,000 and expected to make further cuts), and said the company would seek flexibility in negotiating plant-level work rules.

In July, AT&T and the unions agreed on a new 3-year labor contract. In a break from their traditional bargaining strategy, the unions agreed to a new bargaining approach, negotiating economic issues, such as wages and benefits, on a national level, and noneconomic issues, such as work rules, on a local level.

Besides providing increases in wages and pension benefits, the contract called for the company
to enhance job security and observe neutrality in union organizing efforts at the company in exchange for the unions' recognition of the company's need to separate its individual business units and become more competitive by allowing it some relief in making job cuts based on skill needs. The new contract provided some of the job and union security measures the unions sought, including access for laid-off employees to jobs at three AT&T subsidiaries; a program under which surplus employees may receive termination pay plus all wages and benefits for up to 2 years while having access to the transfer program to gain new permanent jobs and having first call on temporary jobs; a system providing employees on layoff and recall the first right to new jobs for 3 years; preservation of seniority rights in layoffs of communication and system technicians; and a pledge by AT&T to be neutral in the unions' organizing attempts and to give the unions access to company premises and to workers at the company's subsidiaries (except NCR) and newly acquired business units.

Other terms included a ban on secret monitoring of workers; improvements in family care provisions; an increase in funding for the parties' jointly administered training fund; and a phase-in of a commission payment system for phone center and commercial marketing workers, with cash payments to long-term employees to cushion any adverse impact of the new payment system. (See *Monthly Labor Review*, September 1992, p. 44, for additional details of the contract terms.)

Negotiators for Illinois Bell—one of five statewide Bell companies that makeup the Ameritech regional operating system—and new reached agreement 3 months early (in early April) on a new 3-year labor contract covering some 13,000 technical support and inside and outside customer service workers statewide. (See *Monthly Labor Review*, July 1992, p. 38, for details of the contract terms.)

Separate negotiations between the two unions and the remaining regional Bell telephone companies (Ameritech, Bell Atlantic, BellSouth, Pacific Telesis, Southwestern Bell, and US West) began in June to replace contracts that would expire in August. In August, the companies and unions signed a 3-year collective bargaining agreements, covering about 270,000 telephone operators, clerical employees, sales and business representatives, and linen workers. The major issues in dispute were wages, job security, pensions, and health care costs.

The Pacific Telesis contract with CWA covered about 38,500 workers in California and Nevada. Terms included:

- a 12-percent increase in the wage package, including job upgrades and special adjustments;
- annual incentive awards if the company achieves its financial and service goals;
- a 13-percent increase in pension benefits;
- $2 million for referral services for employees to locate help for child and elder care, adoption, and school age children;
- up to 12 months of family leave in increments in a 24-month period; and
- establishment of joint committees on such issues as technological change, career planning, health care, safety and health, and training and retraining.

The parties negotiated several changes in job security, including the placement of potential surplus workers into work groups with job vacancies; the offer of early retirement incentives to eligible employees; establishment of an automated job posting and bidding system, with priority placement for surplus workers; wage protection for surplus workers placed into downgraded jobs, with reimbursement of relocation expenses if new jobs are not within commuting distance; and $9 million over the term of the agreement for a jointly administered training/retraining program.

The BellSouth agreement with CWA covered about 62,000 workers in nine southeastern States. It called for an 11.3-percent increase in the wage package, including expected cost-of-living adjustments and profit-sharing payments; expanding the job pool for surplus workers; shifting work previously done by contractors to the bargaining unit; special leave programs to cut the number of surplus jobs; improving compensation for surplus workers; and forming a joint committee to study the company's practice of contracting out certain work, with the goal of returning work to union members. The contract also improved health care and pension benefits.

The Southwestern Bell contract with CWA covered approximately 42,000 workers in Arkansas, Kansas, Oklahoma, Missouri, and Texas. It provided a 12.3-percent wage increase over the contract term, additional upgrades for workers in rural areas to bring their pay to the same level as workers in urban areas, and a new "Success Sharing" plan that will give workers cash or stock if the company performs well.

The job security provisions included a company pledge of neutrality in union organizing drives at nonunion subsidiaries, transfer rights for surplus employees to other subsidiaries, a joint task force to deal with subcontracting issues, and arrangements to return contract work to surplus craft employees. The contract also provided for improved health care, family care plans, and pension benefits, and called for committees to study (1) ways to eliminate secret monitoring, (2) sales
quota issues, (3) health care cost containment, and (4) technological change issues.

The US West contracts with CWA and IBEW covered about 39,600 workers in 14 states in the Rocky Mountain and Northwest regions. They called for an 11-percent increase in the wage package; 13 to 15 percent increases in pension benefits; and preservation of company-paid health care benefits for retirees. The CWA pact also expanded the bargaining unit to include jobs that had not been covered under the previous contract.

The Ameritech contract with CWA covered about 35,000 workers in Illinois, Indiana, Michigan, Ohio, and Wisconsin. It provided for a 13-percent increase in the wage package, including job and locality pay upgrades; pension increases, ranging from 10 percent to 17 percent; modifications in the health care plan, including the elimination of deductibles for managed care network participants; improvements in the profit-sharing program; company funding of health care premiums for workers who retire during the contract term; funding of up to $3,000 per worker for education and retraining; and improvements in family leave plans.

The Bell Atlantic contract with CWA and IBEW covered about 51,800 workers in the District of Columbia and six mid-Atlantic States. It provided wage increases totaling 11.74 percent, as well as possible cost-of-living adjustments; a 13-percent increase in pension benefits for active employees and 4 percent for current retirees; early retirement incentives; a profit-sharing option; improvements in the family leave plan; job protection for workers involuntarily relocated or reassigned because of early retirements; and a guarantee of employer neutrality in organizing attempts and union recognition based on majority card check. (See Monthly Labor Review, November 1992, pp. 49–50, for additional details of the contract terms.)

Trucking industry

On his first day in office, February 1, 1992, newly elected International Brotherhood of Teamsters president Ron Carey promised to work with the union’s carhaul negotiations committee to replace the collective bargaining agreement that had expired on May 31, 1991. (Carhaul companies transport new automobiles from auto plants, parts, marshalling yards, and railheads to car dealers’ showrooms.) Two months later, he announced a new Teamsters bargaining approach that resulted in a settlement for the 16,000 drivers, clerical workers, and mechanics in the industry.

The union had implemented a publicity campaign, using union and community leaders, to bring pressure on the carhauling companies involved in the negotiations, particularly Ryder Sys-
tem. Carey explained, “...we cannot win [the] fight just at the bargaining table. We have to take our issues to the broader community.”

At the bargaining table, carhaul firms were represented by the National Automobile Transports Labor Division; and the Teamsters locals, by the union’s National Automobile Transports Industry Negotiating Committee. Key issues in the talks included wages, grievance procedures, and work preservation issues, such as “double breasting” (the establishment of non-Teamsters-represented subsidiaries by Teamsters-represented companies to shift work traditionally performed by Teamsters-represented workers to employees of these subsidiaries, which allegedly pay lower wages and benefits than do the parent companies).

The new 4-year agreement provided increases over its term of $1.60 in hourly wage rates, 6 percent in flat/zone rates, and up to 13 cents per mile in various mileage rates; a $42 increase (per employee) over the contract term in employers’ weekly contributions to health, welfare, and pension funds, with an additional increase in June 1994 to match any 1994 increase negotiated under the Teamsters’ National Master Freight Agreement; preserving work and jobs traditionally performed by Teamsters-represented carhauling workers, including prohibiting any future double breasting; limiting the number of employees of current double-breasted subsidiaries that are not represented by a union; and prohibiting parent companies and subsidiaries from “any transaction, restructuring or reorganization designed to evade” work traditionally performed by Teamsters members. (See Monthly Labor Review, July 1992, pp. 37–38, for additional details of the terms of the contract.)

The Teamsters disputed the Federal Government’s request to extend and expand government authority under the 1989 consent decree that called for court-appointed monitors to oversee the union’s activities and to investigate its ties to organized crime. The union alleged that the requested authority goes beyond what is contained in the consent decree, represents an unreasonable intrusion in its internal affairs, and would result in the unnecessary expenditure of millions of dollars.

Primary metal industries

The big news in the primary metal industries in 1992 was: the failure of most faltering steelmakers to persuade the Steelworkers union to revamp its master contracts; the failure of the United States to reach a new steel export restraint agreement with other countries that would have continued limits on the amount of steel foreign countries could export to the United States; and various settlements in the aluminum industry, including...
one that ended a 19-month dispute at Ravenswood Aluminum.

In 1991, the steel industry lost $1 billion and production fell to its lowest level since 1986. In 1992, the industry continued to suffer from depressed market conditions, overcapacity, and sustained losses, with several companies on the ropes, either operating under bankruptcy protection or shedding unprofitable operations in an effort to avoid bankruptcy.

The genesis of the current labor problems stems from the 1989-90 round of bargaining which basically restored major pay and benefit cuts agreed to in the early 1980's. Although the industry had just experienced a 2-year boom, many market analysts thought at the time that most steelmakers were still in too precarious a financial condition to warrant such costly contracts.

Late in 1991, Inland Steel Co. requested the Steelworkers to renegotiate their contracts—which do not expire until July 31, 1993, and January 31, 1994—given the depressed condition of the industry. The union rejected the overtures, but agreed to meet with management representatives in early 1992 to discuss “issues of mutual concern.” However, no substantive movement was made in revamping the agreements.

Meanwhile, the LTV Steel Co. (which years earlier had filed for Federal bankruptcy protection) unilaterally included union concessions in its revised reorganization plan for emerging from bankruptcy. LTV's creditors said they would not sign a final reorganization plan until the current contract was revised.) In late-February 1992, the Steelworkers agreed to renegotiate a new contract.

In mid-July, LTV and the Steelworkers reached a settlement extending their collective bargaining agreement by 10 months. The accord, which is expected to produce $60 million in annual savings, allowed LTV to continue efforts to complete its bankruptcy reorganization begun in July 1986.

The contract, covering some 14,000 production and maintenance workers, enhanced pension and health benefits, while freezing wages and allowing productivity improvements that are expected to result in a cutback of approximately 200 jobs. Other terms included the establishment of an optional managed-care health plan and increased “out-of-pocket” expenses for employees who retain the traditional indemnity plan; continuation of company payments, but at a lower rate, for retirees' health care; one-time “attrition buyouts,” ranging from $1,000 to $25,000, for voluntary job departures; and a union seat on the board of directors of the reorganized company. (See Monthly Labor Review, November 1992, p. 50, for additional details of the terms of the contract.)

In late March, multilateral talks to remove trade barriers in the global steel trade broke down without an agreement, thus terminating an 8-year-old export-restraint accord between the United States and 26 steel-producing countries. The terminated accord established limits on the amount of steel that the 26 countries could export to the United States. Without a multilateral agreement, U.S. steel companies were left with only U.S. trade laws to protect them against foreign companies “dumping” steel products priced below market value. In June, 12 U.S. steel companies filed 84 unfair trade practices complaints charging that steelmakers in 21 foreign countries illegally sold subsidized steel in the United States at prices below their “fair value.”

In the aluminum industry, the Aluminum Co. of America (Alcoa) and the Reynolds Metals Co., bargaining against a background of low prices and overcapacity in the industry, negotiated early 1-year extensions to collective bargaining agreements with their two major unions—the Steelworkers and the Aluminum, Brick and Glass Workers—on May 6. (Their agreements were to expire May 31, 1992.)

The extensions, which covered 11,000 workers at 11 Alcoa facilities and 7,300 workers at 20 Reynolds plants, called for a $1,000 signing bonus and an additional $500 bonus if a new contract was renegotiated by October 2, 1992 (it was not); continuation of the quarterly cost-of-living adjustment clause; and a $2 increase in the monthly pension rate for each year of credited service. (See Monthly Labor Review, July 1992, p. 37, for additional details of the terms of the contract.)

Elsewhere, the bitter 19-month walkout at Ravenswood Aluminum Corp. ended when the company and the Steelworkers signed a 3-year collective bargaining agreement covering 1,700 workers in Ravenswood, West Virginia. The dispute involved an international corporate campaign and support from organized labor in the United States and abroad, attracting international attention to the issue of permanent strike replacements.

Under terms of the settlement, locked-out workers would be recalled to work in order of seniority and replacement workers would be terminated. Returning workers would be credited for continuous service for seniority and pension purposes. Both parties would withdraw or rescind all lawsuits, proceedings, and charges filed with the courts or government agencies, and the company would rescind discipline or suspensions already taken for all but two employees.

The most controversial term of settlement dealt with back pay. The agreement called for a $2,400 payment for each locked out worker for back pay liability from November 1 through November 30, 1990. For back-pay liability from November 30, 1990, to the date of the settlement, a profit-sharing plan was established under which employees...
would receive a prorated share of 10 percent of Ravenwood's after-tax profits for each year through 1997.

The contract also called for wage increases of $1.25 an hour over the term of the contract; a successorship clause; elimination of a quarterly bonus tied to the price of aluminum in exchange for an additional $1.25 an hour in basic wage rates to restore past pay concessions; and more flexibility for management to combine jobs. (See *Monthly Labor Review*, September 1992, pp. 44-45, for additional terms of the contract.)

**Heavy equipment**

After walking the picket lines for 5 months, members of the United Automobile Workers (UAW) union at Caterpillar, Inc. called off their strike and returned to work "unconditionally" under the terms of the company's "final offer."

Going into 1991, Caterpillar, the world's largest manufacturer of earth-moving and construction equipment and a major producer of farm equipment, faced stiff foreign competition and slumps in the construction and farming sectors. Complicating the situation, Caterpillar reorganized in 1990, creating a number of operating units. The company notified the UAW of its desire to negotiate a collective bargaining agreement that would recognize the different competitive positions, labor costs, and other needs of the various operating units.

The 1991 round of bargaining on a master contract began in July, between the UAW and Caterpillar. (The existing contract, covering some 16,000 workers at seven plants in Illinois, Pennsylvania, Tennessee, and Colorado, was scheduled to expire on September 30.)

Little progress was made in the initial talks with Caterpillar, so the union turned to Deere & Co., the other major domestic firm in the industry. After reaching an agreement with Deere in October 1991—which the union was committed to use as a pattern—the UAW intensified negotiations at Caterpillar. The union believed that the demise of pattern bargaining in this industry would adversely affect the continuation of pattern bargaining in the auto industry. (See *Monthly Labor Review*, January 1992, pp. 25-26, for additional details.)

Formal contract talks ended November 3, 1991; the next day, about 2,400 UAW members at two plants in Illinois walked off their jobs. A few days later, the company locked out 5,650 union members at plants in Aurora and East Peoria, Illinois, that had not been struck.

On February 7, 1992, Caterpillar announced that as a "good faith effort" to break the 3-month stalemate it would terminate the lockout of workers in Aurora and East Peoria and would be ready to resume negotiations. The union agreed to meet with the company, but extended its job action to include the previously locked out plants.

When contract talks resumed February 19, Caterpillar presented its "final offer" to the UAW. The proposal included a 13-percent wage increase over 3 years (only 3-4 percent for skilled workers), a two-tier wage structure for new employees, and a cost-of-living allowance; fully paid health benefits for workers using preferred provider services; enhanced job security, including a 6-year job guarantee for current employees and a 6-year plant closing moratorium; changes in work rules that would allow work on weekends and 10-hour workdays without overtime pay; and improved pension benefits for active and retired workers.

The union, adamant on the issue of a pattern settlement, rejected the offer, characterizing it as a "pittance and a continued avoidance of serious, traditional bargaining," and threatened a companywide strike to begin in March.

On March 8, Caterpillar announced that it had reached an impasse in bargaining with the union. However, the UAW disagreed, saying that it had not yet submitted its "final offer" to the company.

After futile stops and starts, the parties resumed talks on March 25, but each continued to take a hard line in negotiations. The union filed unfair labor practice charges against Caterpillar alleging that the company conducted improper surveillance, intimidated and threatened striking and locked out workers at plants in Aurora, Illinois and York, Pennsylvania, and failed to bargain in "good faith." (These charges were later dismissed by the National Labor Relations Board.)

Caterpillar then sent letters to its 10,700 striking workers telling them to return to work by April 6 or potentially "lose their place in a reduced work force. They could be replaced by a returning striker, an employee recalled from layoff, or a permanent new hire." The company also advertised for replacement workers. In turn, the union extended its strike to four additional plants in Illinois, bringing the number of workers idled to 12,600.

In a surprise move on April 14, the UAW called off its 5-month strike and agreed to return to work "unconditionally" under the terms of the company's "final offer," while the parties continued to bargain. In turn, Caterpillar agreed to stop hiring permanent strike replacements and allow union members to return to work.

During June, the parties held low-level contract talks that reportedly centered on health care and job security issues. The union's bargaining strategy reportedly centered on attempts to pressure Caterpillar to withdraw its final offer and to agree to a new contract. The union threatened to use in-plant action, such as slowdowns or work-to-the

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rules, to induce concessions, and a corporate campaign, including picketing of businesses selling the company’s products, to focus public attention on the dispute.

In September, Caterpillar made a modified contract offer, the first made by either party since the strike ended. The proposal extended for 3 additional years the terms imposed on strikers when they returned to work in April. The union rejected the proposal. In late November, Caterpillar announced it was implementing most of the remaining terms in its final offer. Among the new terms were improved pensions, modifications in work schedules that would allow for 24 hours a day operations for some work, various changes in health care benefits, and limitations on employer contributions to retirees’ health insurance expenses.

Airline industry

The airline industry had yet another difficult year due to the weak economic recovery, soaring fuel costs, the continued fallout from deregulation, and an intense fare war that often found carriers moving more passengers for less revenue. During 1992, some troubled airlines used collective bargaining to cut their costs through concessionary labor contracts.

USAir Group, Inc. and the Air Line Pilots Association signed a 4-year collective bargaining agreement, covering some 5,600 pilots, that called for a 1-year wage cut in exchange for stock option and profit-sharing plans, enhanced job security, and future pay raises. The financially troubled airline, which lost more than $700 million in the last 2 years, has been seeking more than $400 million in wage and benefit cuts from both its union and nonunion employees, as well as Federal approval for an alliance with British Airways that would provide $750 million in capital, to help it become more competitive.

The pact called for 1-year wage cuts of 10 percent for that portion of a pilot’s pay between $20,000 and $50,000, 11 percent for earnings between $50,000 and $100,000, and 12.5 percent for earnings exceeding $100,000 (these cuts are expected to generate $35 million in savings), followed by wage increases of 2.5 percent September 1, 1993, 5.5 percent July 1, 1994, 2 percent July 1, 1995, and 1 percent July 1, 1996, pushing the USAir pilots’ rates up to those at Delta Air Lines, the industry standard. Under the stock option plan, the pilots would be eligible to buy up to 50 shares of stock at $15 a share for each $1,000 their pay was cut; and under the profit-sharing plan, they could receive as much as $1 for every $2 cut in pay.

The enhanced job security provisions included a prohibition against furloughs through 1997, a guaranteed number of captain positions, extension of the successorship provision to the USAir Group, and employment protection in the event of a break-up of the carrier. (See Monthly Labor Review, August 1992, pp. 60–61, for additional details of the contract terms.)

USAir had announced during fall 1991 that it would impose wage and benefit cuts on its nonunion employees after it extracted similar concessions from one of its three unions—the Pilots, the International Association of Machinists, or the Association of Flight Attendants.

In October, the Machinists went on strike after rejecting the carrier’s latest contract offer, reportedly because of concerns about job security and work rule changes, which no other employee group at the carrier had been forced to accept. The union represents some 8,300 mechanics and ground support employees who had worked without a contract for 2 1/2 years.

After a 4-day work stoppage, negotiators reached agreement on a 3-year contract that called for a 1-year wage cut, followed by wage increases of at least 8 percent over the remainder of the term. The contract also included work rules concessions, including allowing less-skilled and lower paid union members to push aircraft from gates; a company pledge not to hire nonunion workers to handle baggage or de-ice planes; a requirement that employees begin making contributions toward health care costs; and increased pension benefits.

Continental Airlines and the Machinists reached agreement on a 4-year labor agreement, covering some 7,000 flight attendants. The accord was the first since the Machinists were certified to represent the flight attendants in 1990. The last time these employees were covered by a contract was in 1984, when they were represented by the Independent Union of Flight Attendants, the Machinists’ predecessor. (Continental was allowed to terminate its collective bargaining agreements as part of its bankruptcy protection plan.)

Although the agreement did not increase wages across-the-board, it provided for an increase in per diem for domestic flights; an increase in first flight attendants pay; pay for attending required company meetings; and a “me too” provision for wage increases or decreases agreed to by other units at Continental.

Work rules changes included restrictions on the use of foreign nationals on international flights; a decrease in the probationary period; a decrease in the time that discipline is on an employee’s record; a no-strike, no-lockout clause; streamlined grievance procedures; and job security protection in case of mergers and acquisitions.

At TWA, about 25,000 unionized employees agreed to tentative 3-year collective bargaining
agreements reached by the Pilots, the Machinists, and the Independent Federation of Flight Attendants. The accords were expected to facilitate the carrier’s emergence from the Federal bankruptcy court protection it had been under since January 1992. In October, the Pension Benefit Guarantee Corporation approved the pact following an agreement with TWA’s creditors. Approval by the Pension Benefit Guarantee Corporation was required because of the carrier’s alleged $1.2 billion underfunding of employee pension plans.

The employees agreed to a package of wage, benefit, and work rules concessions that will cut labor costs by 15 percent in exchange for a 45-percent employee ownership stake in the airline. Majority owner and chairman Carl Icahn would relinquish control of the carrier. TWA’s creditors previously had agreed to forgive approximately $1 billion of the $1.5 billion owed in exchange for 55 percent of the carrier’s equity.

At Northwest Airlines, members of the Pilots union agreed to make $300 million in concessions over a 3-year period in response to a request made last summer by the carrier, which had received concessions from all of its unions after losing more than $615 million in the past 2 years. Northwest had asked the Pilots union, which represented about 5,500 workers, for $500 million in pay and benefit cuts over a 5-year period. The union’s contract with Northwest does not expire until March 1, 1994.

One month after the pilots agreed to concessions, the carrier’s other unions, representing 40,000 workers, agreed in principle to make “major concessions,” if the concessions satisfactorily resolve issues related to job security, negotiation of new agreements, and appropriate paybacks for the concessions. To date, contracts incorporating these concessions have not been signed.

Delta Air Lines, which had lost $506.3 million in the recent fiscal year, imposed a pay freeze and benefits cuts on nonunion employees and sought concessions from 9,400 pilots, its only large unionized employee group. The Pilots, however, declined to defer a 5-percent pay increase scheduled for September 1992.

Interurban transit

One of the most acrimonious and protracted labor disputes in recent years ended when the Amalgamated Transit Union gave its members permission to return to work at Greyhound Lines (the Nation’s only intercity bus company) without a formal contract. The union told its members, “You will not be considered a scab by the union if you sign up to return to work after this date—March 2, 1992 [the second anniversary of the walkout]. . . . In light of the long-term hardship that the strike has placed upon the membership. . . . [the union will allow] any striking member the opportunity to work in accordance with their rights under the National Labor Relations Act.” Following is a series of events leading to the return-to-work permission:

November 1989. Greyhound and the union, which represented some 6,300 drivers and 3,075 mechanics and clerical workers nationwide, began negotiations to replace the contract that was to expire March 2, 1990.

February 1990. Contract talks stalled when the company’s final offer was rejected by the union’s bargaining committee.

March 1990. Union members walked off their jobs, citing wages and subcontracting of drivers’ work as the major issues in dispute. The company insisted it was at a “legal” impasse in negotiations and vowed to stay in business by hiring strike replacements to supplement supervisors and employees who remained on the job. The union filed charges of unfair labor practices with the National Labor Relations Board, alleging that Greyhound refused to “bargain in good faith.” Three months later, the board issued a complaint against the company stating that the strike was “caused and/or prolonged” by unfair labor practices committed by the company, including “failure to bargain in good faith” and giving strike replacements seniority over striking drivers. The union subsequently requested that the board seek a temporary injunction ordering Greyhound to immediately reinstate the strikers who had unconditionally offered to return to work pending the outcome of the unfair labor practices charges against the company.

June 1990. Greyhound filed for reorganization under Federal bankruptcy laws. A down-sized Greyhound emerged from bankruptcy in October 1991. The company benefited from a Federal bankruptcy judge’s ruling which estimated the company’s potential backpay liability at $31.25 million, about one-fourth of the $125 million claimed by the union.

November 1990. The National Labor Relations Board authorized the filing of 10 additional complaints against Greyhound. The complaints alleged that the company illegally fired strikers for union activity, coerced employees, and refused to provide the union with certain information to which it was entitled.

June 1991. Greyhound made its final offer to end the strike, proposing to take back 700 of the 9,000 striking union workers, keep employees who had crossed the picket line, and offer jobs to other striking workers as vacancies arose. The offer was soundly voted down by the union’s rank and file.

August 1991. The parties last met in negotiations at the insistence of Greyhound’s creditors, but achieved no substantive results.
The union’s remaining hope for relief for its striking members is the National Labor Relations Board, where Greyhound-Transit Union labor issues currently are being sorted out. If the board finds that Greyhound’s violations caused the strike, the company could be forced to rehire all striking workers and pay millions of dollars in back pay. If Greyhound is cleared of the charges, it could treat its replacement drivers as permanent workers and offer striking employees reinstatement as jobs are opened.

Coal industry
One of the most severe and persistent problems facing labor and management in the coal industry has been the escalating cost of health care benefits and the declining number of companies paying into the industry’s health and welfare trust funds. (One fund provides benefits for miners who retired before 1976; the second provides benefits for retired, disabled, and laid-off miners whose last employer is no longer in business.) The parties have been unable to resolve the health care issue in negotiations, and may now resolve these issues through legislative means.

Senator Jay Rockefeller of West Virginia, concerned about the solvency of the trust funds, pushed for an amendment to a comprehensive energy bill that would preserve the health care benefits of some 120,000 retired miners and their dependents. Rockefeller proposed a fund to provide benefits to miners whose last employer is a current contributor to the industrywide funds, and to establish a separate fund solely to provide benefits to current and future “orphans” (miners whose employers are out of business), to be financed by a tax on all coal producers, and covering both union and nonunion miners.

The final legislation did not include the provision for a tax on coal producers, but included a compromise amendment that continues health care coverage for the retired miners and their dependents. Under terms of the legislation signed into law in October 1992, the corporate parents of defunct or bankrupt unionized coal companies in business as far back as 1950 and those coal companies that discontinued participation in the funds would be taxed to pay part of the cost of providing these benefits. As part of the compromise, the union agreed in principle to a managed health care program, with a health maintenance organization and assigned physicians, to contain rising medical costs.

Timber industry
The 1992 bargaining round in timber reflected hard times in the industry. A number of lumber mills had closed and employment continued to drop as the industry faced a sluggish economy, a downturn in housing, and litigation on the spotted owl. The lead-off settlement was a Willamette Industries pact which served as a pattern for a majority of the 34,000 workers at other major West Coast timber companies whose contracts expired in 1992.

The 4-year accord between Willamette and the International Woodworkers of America and the Western Council of Lumber, Production and Industrial Workers covered 1,322 loggers and mill workers in Oregon. It called for 4-percent wage increases retroactive to June 1, 1992, 3 percent in the second year, and 40 cents per hour in the third and fourth years. In addition, it reduced the period before new hires earn the normal basic rate from 1 year to 30 days.

Other terms included a 60-cent an-hour increase over the first 3 years of the contract (to $2.15 an hour per employee) in the company’s health and pension contributions, with a reopener in the fourth year for health and welfare issues; an increase in life insurance benefits; and improvements in paid vacations and holidays. (See Monthly Labor Review, September 1992, p. 46, for additional details of the contract terms.)

Subsequent settlements adopted at Simpson Timber Co., Weyerhaeuser Co., DAW and Western Forest Products, Inc., Roseburg Lumber Co. and Roseburg Forest Products Co., Potlatch Corp., and Georgia Pacific Corp. basically provided the same wage and benefit package negotiated at Willamette.

State and local government
The sluggish economy significantly affected state and local government collective bargaining in 1992. Record budget deficits and declining revenues forced contract negotiators for several state and local governments to try to freeze salaries, make employees pay more of the cost of health insurance, and consider furlough days and layoffs as ways to balance government budgets, which in many States and localities is a constitutional requirement. Because of this, job security was the most important bargaining issue for union negotiators, followed by pay and health insurance concerns.

Many State and local government agreements negotiated in 1992 had salary freezes in the first part of the contract term, followed by subsequent pay raises, or just one pay raise over the contact term. Many agreements contained health care cost-sharing arrangements, such as managed health-care programs, higher employee premium payments, higher deductibles, and higher employee copayments. Most of the bargaining talks...
were clouded by threatened or actual layoffs and furloughs as State and local governments attempted to reconcile actual or anticipated labor costs with budgetary restraints.

**California.** California political leaders approved a fiscal year 1993 budget that imposed contract provisions for 128,000 State employees in 20 bargaining units as part of their efforts to close a $10.7 billion spending gap without raising taxes. The contracts ended a year-long impasse between the State and its unions. Unionized employees had initiated lawsuits to halt the State’s attempts to reduce pay and benefits. The California Court of Appeals ruled against the pay and benefits cuts, but upheld the State’s right to freeze health care contributions without obtaining legislative approval.

The 3-year contracts provided an 18-month salary freeze accompanied by the institution of a “leave bank” program under which State employees would bank 1 day a month for 18 months and would not receive pay for those days while the program was in effect. At the end of 18 months, employees would recoup the lost compensation either through paid leave or cash, at the discretion of individual State departments. Other contract terms included a 5-percent wage increase in January 1994, and a 3- to 5-percent increase in January 1995; retention of merit salary adjustment language; a freeze on the State’s contributions to health care premiums, unless costs increase by more than 30 percent during the contract term; and creation of a union-management task force to study and implement efforts to control health care costs.

**Ohio.** The State of Ohio and the American Federation of State, County and Municipal Employees (AFSCME) signed a 25-month agreement for 35,400 administrative, correctional, human services, mental health and retardation, transportation department, and regulatory employees. The accord came with the assistance of a factfinder, who decided about 50 economic issues.

The contract, retroactive to January 1, 1992, provided only one wage increase, 5 percent on July 1, 1993, in exchange for the retention of step and longevity increases which the State sought to eliminate. It also called for enhanced job security, including increased recall and re-employment rights, and improved outplacement services for laid-off employees; several changes in the health plan, including establishment of a preferred provider health care program with an employee option to remain in the traditional indemnity health plan if the employee pays the higher premium costs, increased State contribution to health care premiums, and increased employee deductibles; a longer waiting period for disability benefits; and expanded sick leave eligibility to include caring for family members living in the employee’s home. (See *Monthly Labor Review*, May 1992, p. 52, for additional terms of the contract.)

The Fraternal Order of Police, representing 1,200 highway patrol officers, ratified an 18-month contract with the State. Terms called for a 5-percent general wage increase on July 1, 1993, and a 5-percent wage increase on January 1, 1993, for employees with 10-1/2 years of continuous service. Also, 4,000 health care and social services employees represented by the Service Employees International Union ratified a 23-month contract that provided a 5-percent wage increase on July 1, 1993. Other contract terms for these two agreements were similar to the AFSCME agreement.

**Massachusetts.** About 40,000 State employees represented primarily by the National Association of Government Employees and AFSCME have been without a labor contract since July 1, 1989. Although an agreement had been reached in December 1990, it was not funded by the State legislature until a year later. The State then refused to honor the contract because it had been negotiated during the term of the previous governor. The unions sued the State to enforce funding of the contract; in August 1992, the Massachusetts Supreme Judicial Court decided for the State.

**New York State.** AFSCME ratified a new 4-year agreement covering 110,000 State employees in administrative services, institutional services, and operational services bargaining units. The accord, which is retroactive to April 1, 1991, called for a salary freeze in the first 2 years of the contract, followed by wage increases of 4 percent on April 1, 1993 and 1994, and 1.25 percent on October 1, 1994; lump-sum payments in December 1993 and September 1994 equal to the amounts employees would have received if the April 1, 1993 and 1994 wage increases had each taken effect 2 months earlier; a $5.2 million increase in the State’s annual payment to the union’s benefit fund to maintain the level of drug, dental, and optical benefits; tighter restrictions on the use and payment of worker’s compensation; and establishment of a leave credit program to aid State employees who exhaust leave benefits because of a catastrophic illness. (See *Monthly Labor Review*, August 1992, p. 60, for additional details.)

AFSCME-represented court professional employees (3,700) and corrections officers (22,000) agreed to essentially the same contract terms as did the administrative, institutional, and operational employees, except they will not receive the lump-sum payments. In addition, correctional employees resolved a controversial “lag payroll” issue.
when the State agreed to give back 5 days of pay that previously had been withheld until workers ended employment with the State.

State university system professors (21,000) represented by the United University Professions, an American Federation of Teachers (AFT) affiliate, ratified a 4-year agreement, retroactive to July 1, 1991. The contract provided pay raises of 4 percent on July 1 of 1993 and 1994, and 1.25 percent on January 1, 1995.

The Teamsters ratified a 3-year agreement with the State, retroactive to July 1, 1991. Contract terms covered 2,800 workers and included wage increases of 4 percent on July 1 of 1992 and 1993, and an employee option to withdraw from the health plan, with a one-time State payment of $750 for single coverage and $1,500 for family coverage, if the employee has acceptable, alternative health care coverage.

New York State continues to negotiate with the 2,500-member New York State Trooper Patrolmen’s Benevolent Association, whose members rejected an agreement with the same terms as the AFSCME contract. An additional unresolved dispute with the Public Employees Federation on a contract covering 53,000 professional and technical employees, has been sent to factfinding following the union’s request for mediation.

New York City. The 32,000 members of the Transport Workers Union ratified a 38-month agreement with the Metropolitan Transportation Authority. The contract provided wage increases of 2 percent retroactive to May 1, 1991, 2.5 percent on September 1, 1992, and 2 percent on May 1, 1993; a modified wage progression schedule for new hires; contract language to apply cost savings from the new progression schedule to health and welfare coverage; health and welfare coverage at existing benefit levels; and an immediate cash payment of $5 million to meet current health and welfare obligations. (See Monthly Labor Review, August 1992, p. 60, for additional details of the terms of the contract.)

New York City continues to negotiate contracts for employees who have been without collective bargaining agreements since 1990 and 1991. The United Federation of Teachers, representing 86,100 public school employees working without a contract for more than a year, is bargaining to gain salary parity with teachers in other school districts in the metropolitan region. A coalition of public employee unions is bargaining to replace expired contracts for approximately 200,000 uniformed and nonuniformed civil service employees. Unions representing the largest number of employees in the coalition are AFSCME (117,400); Patrolmen’s Benevolent Association (18,300); Teamsters (18,100); Communications Workers (12,600); and Correction Officers Benevolent Association (10,800).

Philadelphia area. The Southeastern Pennsylvania Transportation Authority approved a new agreement with the Transport Workers, covering 5,153 transit employees. Contract terms included wage increases of 3.5 percent on July 1 of 1993 and 1994, and December 15, 1994; a lump-sum payment of $500 in May 1992; a reworked pension formula; and increases in sick leave pay, disability pensions, tool and clothing allowances, and dental benefits. (See Monthly Labor Review, July 1992, p. 38, for additional details of the terms of the contract.)

The Philadelphia Teachers Federation, an AFT affiliate representing 13,000 teachers and 7,000 paraprofessional and blue-collar workers, ratified a 2-year contract less than an hour before a strike deadline. The contract, which covered 13,000 teachers and 7,000 paraprofessional and blue-collar workers, included a 1-year pay freeze, followed by a 3-percent wage increase on September 1, 1993; and $19 million over the contract term to maintain existing health and welfare benefits.

The city, which had a $248 million deficit in fiscal year 1992, imposed a contract on 15,000 white- and blue-collar workers represented by AFSCME in an attempt to save $1.1 billion over 5 years. Terms of the 4-year contract included a 2-year wage freeze, followed by annual wage increases of 2 percent and 3 percent; a city takeover of the union-run health plan; elimination of longevity pay; cutbacks in sick days from 20 a year to 12; and givebacks of 4 out of 14 paid holidays a year. Later, the parties negotiated an agreement that superseded the imposed settlement. Under the terms, employees maintained control of their health fund, and retained longevity pay and the sick leave accrual.

Negotiations were continuing to replace contracts that expired on June 30, 1992, for nearly 10,000 city employees. The Fire Fighters represent 2,500 of these employees; and the Fraternal Order of Police, 7,000 employees.

Chicago. The Chicago Board of Education and the AFT negotiated a salary adjustment for 30,000 teachers, as a result of voluntarily reopening their 3-year contract which was scheduled to expire in July 1993. In 1990, the two parties had agreed to wage increases of 7 percent in September of 1990, 1991, and 1992. As a result of the unscheduled reopener, the teachers, who already had received the 1990 increase, accepted a 3-percent increase in 1991 and deferred the 7-percent increase scheduled for September 1, 1992, to October 13, 1992.
(See Monthly Labor Review, May 1992, p. 52, for additional details of the terms of the contract.)

The city signed a 42-month agreement with AFSCME for 7,000 white-collar employees. Terms called for wage increases of 3 percent in January of 1992, 1993, and 1994, and 1.5 percent in January 1995; enhancements in life insurance benefits and bereavement leave; various changes in healthcare coverage; and a program allowing employees to pay for day-care expenses from pre-tax income.

At the same time these negotiations were occurring, the city was bargaining with six other unions, representing nearly 27,000 employees, whose contracts expired on December 31, 1991. The Fraternal Order of Police bargained for 10,000 police officers; AFSCME, for 7,000 white-collar employees; Fire Fighters, 4,500 firefighters; Service Employees, 4,000 clerical and custodial employees; and three other unions, 7,500 blue-collar employees and school crossing guards. Subsequently, the city began negotiations on a contract that expired December 31, 1992, covering 10,000 Chicago Transit Authority employees represented by the Amalgamated Transit Union.

Los Angeles County. The county and the Service Employees negotiated new agreements covering 27,000 clerical workers, supervisors, social services workers, technical personnel, paramedics, and artisan and blue-collar employees. The 2-year contracts provided wage increases of 2 percent on July 1, 1992, and August 1, 1993; and a freeze on other economic and health care benefits during the contract term.

The county was slated to begin negotiations for a contract expiring December 31, 1992, covering 1,550 county firefighters represented by the Fire Fighters and also was scheduled to negotiate a wage reopener in a contract covering 2,200 deputy probation officers represented by AFSCME.

Union affairs

During 1992, organized labor continued to experience difficulties attracting workers to the movement, suffered through layoffs in some heavily unionized industries, and was concerned about the economy, U.S. competitiveness, and workers' economic fortune. Some important items on unions' agendas were strike replacement legislation, national health care reform, housing and education systems, child care and family leave, safety and health, civil rights, fair trade, funding of cities and States, and environmental issues.

Leadership changes during the year included:

- John DeConcini retired as president of the Bakery, Confectionery and Tobacco Workers and was succeeded by Frank Hurt.
- Vincent Panapinto retired as president of the Plumbers and Cement Masons and was succeeded by Dominic A. Martell.
- C. E. DeFries resigned as president of the Marine Engineers' Beneficial Association and was succeeded by Alexander C. Cullison.
- William A. Duval resigned as president of the International Brotherhood of Painters and was succeeded by A. L. "Mike" Monroe.
- V. M. "Butch" Speakman, Jr. resigned as president of the Railroad Signalmen and was succeeded by W. D. "Dair" Pickett.
- Robert S. Kenner defeated incumbent Sheila Velasco for the presidency of the National Federation of Federal Employees.

Organizational changes during the year included the following mergers:

- the 300-member American Radio Association with the International Longshoremen's Association;
- the 12,000-member Combined Law Enforcement Association of Texas with the Communications Workers of America;
- the 400-member Coopers International Union with the Glass, Molders, Pottery, and Plastic Workers;
- the 3,500-member Jersey Nurses Economic Security Organization (the bargaining arm of the New Jersey State Nurses Association) with the International Union of Operating Engineers;
- the 800-member Leather Workers International Union with the Office and Professional Employees International Union;
- the 9,500-member National Association of Broadcast Employees and Technicians with the Communications Workers of America; and
- the 687-member Society of Engineering Office Workers with the United Automobile Workers.

Other developments

During 1992, the Supreme Court ruled that an employer can not be forced to allow nonemployees or union organizers on its property, except in the rare case when "the location of a plant and the living quarters of the employees place the employees beyond the reach of reasonable union efforts to communicate with them" (Lechmere, Inc. v. National Labor Relations Board).

Also, the Supreme Court found that a 1987 amendment to Michigan's workers' compensation law does not violate employers' rights under the U.S. Constitution by retroactively raising the benefits payable to workers (General Motors Corp. v. Rompich).
Unemployment insurance benefits legislation enacted in 1992 provides 20 or 26 weeks of emergency extended benefits for long-term unemployed who have exhausted their regular 26 weeks of benefits. The legislation also gives a state the option of providing 13 weeks of extended benefits when the state’s unemployment rate equals or exceeds 6.5 percent.

President Bush signed two executive orders affecting labor-management relations. The first requires contractors doing business with the Federal Government to inform their employees who are represented by a union but are not union members that they can only be required to pay their share of union dues that are related to collective bargaining, contract administration, and grievance processing. The order also requires contractors to inform nonunion employees that they can recoup their share of dues or fees spent on political activities that they oppose or other union expenditures not related to collective bargaining. The second Executive Order bars union-only labor contracts for Federal or federally funded construction work.

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Shiskin award nominations

The Washington Statistical Society invites nominations for the 14th annual Julius Shiskin Award in recognition of outstanding achievement in the field of economic statistics.

The award, in memory of the late Commissioner of Labor Statistics, is designed to honor an unusually original and important contribution in the development of economic statistics or in the use of economic statistics in interpreting the economy. The contribution could be in statistical research, in the development of statistical tools, in the application of computers, in the use of economic statistical programs, or in developing public understanding of measurement issues, to all of which Mr. Shiskin contributed. Either individuals or groups can be nominated.

The award will be presented with an honorarium at the Washington Statistical Society’s annual dinner in June 1993. A nomination form may be obtained by writing to the Julius Shiskin Award Committee, American Statistical Association, 1429 Duke Street, Alexandria, VA 22314-3402. Completed nomination forms must be received by April 1, 1993.