

## Profiles of significant collective bargaining disputes of 2012

*A teachers' strike in Chicago; a strike by machinists at an aircraft-manufacturing company in Texas, an air force base in California, and a naval air station in Maryland; and a lockout of utility workers in metropolitan New York City led the 21 major work stoppages that took place in 2012.*

Nineteen major work stoppages, each involving 1,000 or more employees, began in 2012. The top three stoppages, in terms of the number of days of idleness and the number of employees affected, consisted of two strikes and a lockout. The analysis that follows examines those three stoppages.

### Chicago Public Schools and the Chicago Teachers Union

Chicago Public Schools, formally known as Chicago Public School District 299 in Chicago, IL, reported the largest work stoppage that began in 2012 when 26,500 members of the Chicago Teachers Union left their classrooms from September 10 to September 18 of that year.<sup>1</sup> The Chicago teachers strike accrued 185,500 days of idleness.<sup>2</sup> A key issue was the schools' proposal to base teachers' pay on student achievement testing.

According to one newspaper article, the teachers "said the school system wanted to attach too much weight to the performance of students."<sup>3</sup> The teachers also worried about what would happen to their teaching positions as the Chicago district closed underperforming schools.<sup>4</sup>

Other issues in dispute were a proposal to increase health care costs on teachers and a plan to "get rid of the automatic pay increases that teachers receive for years of service and advanced college degrees, common in union teachers' collective bargaining agreements."<sup>5</sup>



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The strike came to an end on September 18, 2012, with the collective bargaining agreement that was reached calling for an average raise of 17.6 percent over 4 years, down from the 30 percent initially sought by the union.<sup>6</sup> In the final contract, test scores will count for no more than 30 percent of teacher evaluations, the minimum percentage required by the state of Illinois.<sup>7</sup> The Chicago Public School District had wanted student test scores to count for as much as 45 percent of evaluations.<sup>8</sup>

The agreement managed to hold the line on health insurance increases that were originally proposed and established a new wellness program.<sup>9</sup> Also kept in place were pay increases based on seniority and on additional education. In addition, the agreement provides laid-off teachers better job opportunities than originally offered and gives teachers control over their own lesson plans.<sup>10</sup>

Other aspects of the collective bargaining agreement include limiting the duration of the contract to 3 years with an optional fourth year, ending unpaid suspensions of teachers, and establishing the right to grieve unfair disciplinary measures.<sup>11</sup> The new contract also establishes the right to appeal “unsatisfactory” ratings, as well as two consecutive “developing” ratings, to a neutral appeals board. In addition, the agreement stipulates that half of all new teachers hired must be displaced members with a rating of either “proficient” or “excellent.”<sup>12</sup> Addressing sick and other kinds of leave, the agreement ends the accumulation of sick time for future use, replaces sick leave with a maternity, paternity, and short-term disability benefit that can provide 90 days of paid leave, and allows teachers to keep their sick time already banked.<sup>13</sup>

The new contract establishes additional funding to lower class size and lower the number of caseloads for social workers, counselors, teacher assistants, psychologists, and special education teachers.<sup>14</sup> Finally, the contract now requires that any new state aid for Chicago Public School personnel be spent to hire up to 100 additional social workers and counselors.<sup>15</sup>

## **Lockheed Martin Corporation and the Inter-national Association of Machinists Local 776**

The second-largest work stoppage that began in 2012 involved production and maintenance employees of the International Association of Machinists Local 776 and occurred at three separate locations: the fighter jet plant of Lockheed Martin Corporation in Fort Worth, Texas; Edwards Air Force Base in California; and the Naval Air Station Patuxent River in Maryland. The 48-working-day strike began on April 23, 2012, and ended on June 28, 2012, accruing 172,800 lost workdays. The 3,600 union members went on strike over proposed changes in health benefits and a Lockheed Martin plan to stop offering a traditional pension to newly hired workers. The union rejected the initial offer, saying that it “would have raised health care costs and eliminated pensions for new hires.”<sup>16</sup>

The strike ended on June 28, 2012, with the union agreeing to terminate the company pension benefits for new hires and instead provide a 401(k) type of retirement savings plan. “Union officials feared that if the new hires did not have traditional pensions, they would not support keeping the pensions for the current workers,” said one media source.<sup>17</sup>

The new agreement maintained the traditional defined-benefit pension plan for current workers and increased monthly retirement pension benefits by 14 percent.<sup>18</sup> The company extended the contract to a fourth year, with pay

raises totaling 11 percent over the 4 years.<sup>19</sup> Lockheed Martin also agreed to add a health insurance option covering out-of-network services.<sup>20</sup>

According to Mark Blondin, the union's vice president, the federal mediator had advised the union that, although the new offer would leave "both sides with issues they [felt] were not completely resolved, the machinist negotiating committee recommended the offer to members as the best that [could] be achieved without a much longer work stoppage."<sup>21</sup>

Key provisions of the new agreement include an immediate 3-percent increase in base pay, with raises of 2.5 percent in each of 2013 and 2014, and 3 percent in 2015, and a signing bonus of \$2,000, down from \$3,000 in the original offer.<sup>22</sup> In addition, the agreement calls for an upfront cost-of-living payment of \$1,600, half of which would otherwise have been paid in 2013.<sup>23</sup> Workers also may take a \$1,800 lump sum instead of the first-year wage increase and may elect to receive 2 weeks of previously earned vacation pay to help recoup wages lost during the strike.<sup>24</sup>

Another new contract provision is the addition of a health plan option with lower deductibles and lower out-of-pocket costs, a key change that union leaders describe as a substantial improvement for many workers.<sup>25</sup>

## **Consolidated Edison and the Utility Workers Union of America Local 1-2**

The third-largest work stoppage that began in 2012 was a lockout of the employees of Consolidated Edison (Con Ed) Company of New York, the electric utility serving that city's metropolitan area. The lockout, involving 8,000 members of the Utility Workers of America Local 1-2, began on July 1, 2012, and ended 18 working days later, on July 26, 2012. All told, 144,000 days of idleness were accrued.

Con Ed closed walk-in centers, suspended meter readings, and limited work on major construction projects in New York City after contract talks between the utility and Local 1-2 workers broke down in the middle of a dangerous heat wave that gripped the New York City region in early July 2012.<sup>26</sup> Con Ed Senior Vice President John Miksad said that the company locked out the 8,000 utility workers "because the union would not agree to provide three days' notice before going on strike."<sup>27</sup>

On July 25, 2012, the union asked state regulators to order Con Ed to end the lockout, charging that the utility was violating its legal obligations to provide "quality, reliability and safety" of service during the work stoppage.<sup>28</sup> A union petition asked the New York State Public Service Commission to consider reports that managers and replacement workers were not following safety procedures and were "potentially endangering the public."<sup>29</sup>

Con Ed was demanding "substantial concessions in health care and pensions from the union."<sup>30</sup> According to a news source, Con Ed "wanted badly to renegotiate" the collective bargaining agreement with the utility workers in order "to eliminate defined-benefit pensions and increase union members' healthcare contributions".<sup>31</sup>

On July 26, 2012, the lockout ended with Andrew Cuomo, governor of New York State, brokering a deal. The governor expressed his concern that a severe weather event on the horizon with potentially dangerous consequences caused by high winds and heavy rainfall prompted him to call on both Con Ed and the utility

workers union to work through their differences and end the lockout.<sup>32</sup> No details of the settlement were made publicly available.

Table 1 presents some information on the three largest work stoppages that began in 2012.

**Table 1. Largest work stoppages involving 1,000 or more employees that began in 2012**

Organizations involved and location	Beginning date	Ending date	Number of lost workdays(1)	Number of workers(2)	Number of days idle(3)
City of Chicago Public School District 299, Chicago, IL; Chicago Teachers Union (local government)	Sept. 10, 2012	Sept. 18, 2012	7	26,500	185,500
Lockheed Martin Corporation, Fort Worth, TX, Edwards Air Force Base, CA, and Naval Air Station Patuxent River, MD; International Association of Machinists, Local 776 (private industry)	Apr. 23, 2012	Jun. 28, 2012	48	3,600	172,800
Consolidated Edison, New York City and Westchester County, NY; Utility Workers of America Local 1-2 (private industry)	Jul. 01, 2012	Jul. 26, 2012	18	8,000	144,000

Notes:

(1) The cumulative length of the work stoppage, as measured in weekdays, Monday through Friday, excluding weekends and federal holidays.

(2) The Bureau of Labor Statistics rounds figures to the nearest hundred. Companies and unions may have rounded the figures before providing them to the Bureau.

(3) The number of days idle, as measured by multiplying the cumulative number of lost workdays by the number of workers involved in the work stoppage.

SUGGESTED CITATION

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NOTES

<sup>1</sup> See "Work Stoppages: Work stoppages involving 1,000 or more workers, September 2012" (U.S. Bureau of Labor Statistics, Feb. 8, 2013), <https://www.bls.gov/wsp/publications/monthly-details/work-stoppages-september-2012.htm>.

<sup>2</sup> Ibid.

<sup>3</sup> Michael Pearson, "Wins, losses and draws in Chicago school strike," CNN U.S., Sept. 10, 2012, <http://www.cnn.com/2012/09/19/us/illinois-chicago-teachers-strike/index.html>.

<sup>4</sup> Ibid.

<sup>5</sup> "Strike puts spotlight on teacher evaluation, pay: 350,000 students caught in politically fraught dispute over pay, job security," *The Wall Street Journal*, Sept. 10, 2012, <http://online.wsj.com/article/SB10000872396390443921504577643652663814724.html>.

<sup>6</sup> Pearson, "Wins, losses and draws."

<sup>7</sup> See Chicago Teachers Union Blog, September 2012 archive, <http://www.ctunet.com/blog?month=september-2012>.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Pearson, "Wins, losses and draws"; and Chicago Teachers Union Blog.

<sup>11</sup> See Chicago Teachers Union Blog.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Angela K. Brown, “Lockheed machinists OK new labor deal, end strike,” *Bloomberg Businessweek*, June 28, 2012, <http://www.businessweek.com/ap/2012-06-28/lockheed-martin-machinists-approve-new-labor-deal>.

<sup>17</sup> Bob Cox, “Lockheed Martin union votes to return to work,” *Fort Worth Star–Telegram*, June 27, 2012.

<sup>18</sup> Christopher Drew, “Machinists at Lockheed to vote on agreement to end a strike,” *Business Day, The New York Times*, June 24, 2012, <http://www.nytimes.com/2012/06/25/business/lockheed-martin-and-machinists-reach-agreement.html>.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Cox, “Lockheed Martin union votes.”

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Verena Dobnick, “Utility and union fail to reach deal as NYC swelters,” *The Washington Post*, July 2, 2012, p. A7.

<sup>27</sup> *Bloomberg Businessweek News*, “NY lawmakers hear testimony on Con Ed lockout,” July 25, 2012, <http://www.businessweek.com/ap/2012-07-25/ny-lawmakers-hear-testimony-on-con-ed-lockout>.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> WSWS Reporting Team, “Con Edison continues lockout of New York utility workers,” *World Socialist Web Site*, July 9, 2012, <https://www.wsws.org/en/articles/2012/07/cone-j09.html>.

<sup>31</sup> C. Zawadi Morris, “Update: Behind the Con Ed strike—a just cause or a need for greed?” *Bed–Stuy Patch Beta*, July 26, 2012, <http://bed-stuy.patch.com/articles/behind-the-con-ed-strike-a-just-cause-or-a-need-for-greed>.

<sup>32</sup> “Con Ed lockout is over,” *The Wall Street Journal*, July 26, 2012, <http://online.wsj.com/article/SB10000872396390443343704577551470050965892.html>.

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