

## Profiles of Significant Collective Bargaining Disputes in 2006

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Twenty work stoppages that began in 2006 and three major work stoppages that continued from 2005 collectively idled 70,000 workers and resulted in 2.7 million workdays of idleness.<sup>1</sup> This article profiles the issues involved in the three most significant stoppages of the year as measured by number of workers involved, days of idleness, and length of stoppage.<sup>2</sup>

### **Goodyear Tire And Rubber Company And The United Steelworkers Of America**

A work stoppage involving the Goodyear Tire and Rubber Company and the United Steelworkers of America (USW) was the largest work stoppage in 2006 in terms of the number of workers involved. It was the second longest work stoppage beginning in 2006, and the second largest work stoppage in terms of days of idleness.

The work stoppage began on October 6, after the union rejected a final offer from Goodyear. Workers at twelve Goodyear plants in the United States and four plants in Canada were involved in the dispute.<sup>3</sup> After the two sides were unable to come to an agreement on job security issues and health care coverage, USW gave Goodyear a three-day notice that it would terminate the day-to-day extension of a contract that had expired on July 22.

One major issue was Goodyear's proposal to leave two of its twelve United States plants -- one in Gadsden, Alabama, and one in Tyler, Texas -- without protected status, meaning that Goodyear would then be able to close these two plants. In 2003, Goodyear shut down the plant in Huntsville, Alabama, after successfully negotiating the option to take this action. The union believed it would be "unacceptable" to close any more plants.<sup>4</sup>

The work stoppage ended on December 29, when union members approved a new master contract. The new agreement provided for the creation of a company funded trust to secure medical and prescription drug benefits for retirees. The company also agreed not to close any plants except for the Tyler, Texas, plant, which will be closed at the end of 2007 instead of midyear, as Goodyear had originally planned. Current benefit levels will remain fixed for retiree medical and prescription drug coverage. Goodyear also agreed to employ no less than 90 percent of workers in the bargaining unit and a 100-percent staffing level of the total technical maintenance workforce. The company will also invest over a half-billion dollars to upgrade its plants. Employees at the Tyler plant will receive a buyout offer of \$2,000 per year of service with a minimum of \$15,000 and a maximum of \$40,000 as well as a weekly \$750 benefit for a minimum of 15 weeks and a maximum of 48 weeks. Tyler employees will also have preferential hiring rights at the plant in Lawton, Oklahoma. The contract also streamlines the wage structure from one containing "hundreds" of wage classifications, according to USW spokesman Wayne Ranick, to one with only six wage grades ranging from \$13 to \$24 per hour.<sup>5</sup>

### **Northwest Airlines And The Aircraft Mechanics Fraternal Association**

A work stoppage between Northwest Airlines and the Aircraft Mechanics Fraternal Association (AMFA) was the largest work stoppage in 2006 in terms of idleness, with 812,100 days idle during 2006. This work stoppage, which began in 2005, had 1,183,800 days of idleness over its duration. The stoppage began on August 20, 2005, when union members rejected a proposed 25-percent pay cut and a layoff of 2,000 employees. Northwest brought in replacement workers when the work stoppage began.<sup>6</sup>

The work stoppage ended on November 6, 2006 when 72 percent of union members voted to approve a new contract. Under the new contract, replacement workers who were hired during the work stoppage will keep their jobs. Union members who lost their jobs received the choice to classify themselves as "laid off" and reapply for jobs while retaining seniority to determine hiring order or to leave permanently and receive ten weeks of severance pay.<sup>7</sup> The company also rehired some

furloughed mechanics. These workers had their pay cut to a top wage rate of \$26.53 per hour, down from a top wage rate of \$36.39 per hour. The five-year contract also provided for improvements in vacation, overtime, and sick leave benefits, as well as a 1.5-percent pay raise each year.<sup>8</sup>

### AK Steel Corporation And The Armco Employees Independent Federation

A work stoppage between AK Steel Corporation and the Armco Employees Independent Federation (AEIF) was the longest work stoppage beginning in 2006 as well as the third largest work stoppage in terms of days of idleness. The work stoppage began on March 1, when the company and 2,700 workers at its Middletown, Ohio, plant were unable to reach an agreement. The union wanted to have minimum staffing and job security guarantees, while AK Steel wanted to reduce employment and streamline employment classifications. The company contends that the steel industry has seen drastic changes, such as the removal of job security and minimum workforce provisions from new contracts, since the previous agreement was signed.<sup>9</sup> In late July, AEIF employees voted to affiliate with the International Association of Machinists (IAM), hoping the larger union would be more effective in settling the dispute.<sup>10</sup>

The work stoppage ended on March 1, 2007.<sup>11</sup>

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### Notes

<sup>1</sup> For more detail, please see the news release [Major Work Stoppages in 2006](#), USDL 07-0304 (U.S. Department of Labor), February 27, 2007, on the Internet at [http://www.bls.gov/news.release/archives/wkstp\\_02272007.pdf](http://www.bls.gov/news.release/archives/wkstp_02272007.pdf).

<sup>2</sup> For information about methodology and a glossary of terms, see "Major Work Stoppages in 2004 and 2005," *Compensation and Working Conditions Online*, October 25, 2006: available on the Internet at <http://www.bls.gov/opub/cwc/cb20061018ar01p1.htm>.

<sup>3</sup> Workers at the four Canadian plants are not included in BLS figures.

<sup>4</sup> See "USW Members Strike 16 Goodyear Plants After Union Ends Master Contract Extension," *Daily Labor Report*, October 6, 2006, p. A-8.

<sup>5</sup> See "USW Members Begin Returning to Work After Ratifying Goodyear Contract, End Strike," *Daily Labor Report*, January 3, 2007, p. AA-1.

<sup>6</sup> See Joshua Freed, "Northwest Hires Replacements as Strike Goes On," *The Washington Post*, August 22, 2005.

<sup>7</sup> See "Northwest Mechanics Vote to End Strike," *Associated Press*, November 6, 2006, viewed at <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2006/11/06/financial/f091319S10.DTL&feed=rss.news>.

<sup>8</sup> See Susan Carey, "Northwest's Pact With Mechanics Would End Strike it Weathered," *The Wall Street Journal*, October 10, 2006.

<sup>9</sup> See "AK Steel Locks Out Union Workers in Ohio When Bargaining Fails to Produce New Pact," *Daily Labor Report*, March 2, 2006, p. A-2.

<sup>10</sup> See "Members of Independent Union at AK Steel Vote to Join IAM in Attempt to End Lockout," *Daily Labor Report*, July 31, 2006.

<sup>11</sup> See "Tentative Pact Comes on Anniversary of Lockout at AK Steel's Middletown Plant," *Daily Labor Report*, March 1, 2007, p. A-6.