

CWA AT&T Bargaining Meeting

at the Riviera Hotel & Casino
Las Vegas, Nevada — March 10-11, 2010

Remarks by Annie Hill, EVP

When we set up this meeting last October, even though bargaining had taken much longer than any of us would have imagined, we hoped and believed that we would be done by March of this year. We also wanted to take advantage of piggybacking it with the joint Telecom/C&T meeting. As we all know, five of the six core agreements are complete. The old BellSouth agreement was just ratified after a second tentative agreement was reached last month. Bargaining continues in Connecticut and we will continue to support our brothers and sisters until they get a contract for our AT&T members in Connecticut.

With AT&T it seems that we are in perpetual bargaining. The Yellow Pages contract in District 6 was not ratified and they are working on getting another tentative agreement. Bargaining will begin later this month for our Mobility members in the Southeast and this summer we will bargain for more than 5,000 Internet members who work in four of the five districts.

The purpose of this meeting is not altered. We are here to talk openly and honestly about our bargaining experience with AT&T. We know there are many different feelings and, yes, even some anger about this round of Core negotiations. It is important that we have a chance to talk about it, learn from it and move forward stronger and more united. That is the goal of this meeting.

I know that there are a lot of emotions and questions. My request is that we treat each other respectfully and we listen with an open mind. We are never all going to agree – that I will illustrate later, but we can all listen in order to understand.

To start out, I want to look back and lay out the timeline of key events and then share with you a summary of a series of interviews that I have conducted with participants from the bargaining process. They include each of the six Vice Presidents, the bargaining chairs and two people from each of the six core bargaining tables. In your packets there is information that we will be using and there is reference information.

So, let's take a look back. One of the documents in your folder (behind the agenda) is notes from a November 27, 2007, meeting with all of the Telecom Vice Presidents. Jeff Rechenbach was the EVP at that time. We had a two-day meeting with the goal of trying to reach a common understanding of the industry, our challenges and our strategy. We were getting ready to come up on negotiations with Verizon East and Qwest in 2008 and, of course, AT&T in 2009.

We identified our strengths, our weaknesses, our opportunities, challenges and threats, and some strategies. We used this document to ground and guide our work as we moved forward into major negotiations in 2008 and 2009.

In June 2008, Jeff was elected Secretary-Treasurer and I was elected EVP. We were in the middle of Verizon East bargaining and Qwest bargaining was just beginning. There had already been the beginning of discussions between AT&T and CWA about the possibility of having a National Table. These were tied to discussions about District 3, the Southeast region having early bargaining since their contract expiration date was in August, and the remaining contracts were April 4. After much discussion we came very close to reaching an agreement. The remaining issue was whether health care for retirees would be included as one of the topics to be negotiated at the National Table. We had already come to agreement that we would have wages, benefits and pensions at the table. AT&T refused to have any reference to retiree health care in the memorandum — even to say we were going to discuss it. We concluded that we would not move forward with a national table if the MOA did not contain retiree health care as a subject. There was an agreement reached that allowed for District 3 to bargain early even though their official expiration would remain in August.

In January 2009, the Vice Presidents and most of the bargaining chairs met in D.C. for two days to formulate a strategy for the upcoming negotiations. We also were getting ready to begin negotiations for the AT&T Orange Mobility contract. There is a document in your folder that details the results of the meeting. We identified two groups of issues, one group of six that we would coordinate. They were movement of work, wages, evolving technology, card check, Presidents Council, and the national transfer plan. Each of the groups took the lead on one of the issues.

Through coordination in this case, our goal was to start and end in the same place. In other words, to have the same language in every agreement. The second list of ten items was the strategic watch list. Those items included pensions, health care, employment security, leveraged titles, prem tech, and more. The goal here was that the teams would keep each other informed. The conclusion was that in each of the contracts we were starting in different places and maybe would end in a different place, but they were important enough that we should keep each other informed. We also defined how we would communicate and share information. We agreed that the bargaining chairs would have regular calls and also the vice presidents. A database had been put together that would be used to post and share proposals with other committees on key issues. We also talked about research and legal support, and mobilization, and the slogan “One Union, One Fight, One Future.” We also discussed the fact that while our goal was to get settlements all at the same time, that may not be a possibility because of different issues and the fact that we had six different agreements.

Bargaining began the last week of February including the Southeast tables even though they didn't expire until August. We had known that health care was going to be of

big concern to AT&T. Very quickly it became apparent that everything was being driven from Dallas. This would become a much larger problem as bargaining took place. The communications that we had discussed took place with regular calls. The initial proposals that had been worked on were shared with all in order to obtain feedback. Information also was shared on the strategic watch list. Especially on health care, it became evident that the different teams had very different thoughts on what a solution might be.

It also became increasingly apparent that AT&T was singing from the same song sheet. Health care and differing views on leveraged title and prem tech illustrate some of our challenges as we try and balance Unity which we believe in, and autonomy which we also value through our separate agreements. This balancing act creates one of our biggest internal challenges.

As we know bargaining progressed very slowly and all of the contracts were terminated on April 5 with the exception of the BellSouth agreement. By then we continued to see a single purpose and direction come from AT&T. It was very obvious that the individual tables had no authority to “bargain.”

Bargaining continued at a very slow pace and by May most of any sort of progress was at the Midwest table with intensive talks on health care and many other important issues. That was where AT&T was putting most of their focus with not a lot of activity at the rest of the tables. We were in a very different situation, and decided to shift strategy. We decided to see if we could get to a deal in the Midwest and then use that momentum to pull the rest of the tables along. Even with that, it took another two and a half months to get to a tentative agreement in the Midwest. Communication between both the chairs and the vice presidents intensified and detailed discussion and written information was supplied by the Vice President Seth Rosen. Most important, there were discussions and agreement among the Vice Presidents on the economic framework including wages, pensions, and health care. Information also was shared regularly on all of the strategic watch issues.

As we all know, bargaining moved at an excruciatingly slow pace and in order to get to a deal we had to involve the CEO Randall Stephenson. Now going to a CEO to seal a deal is not so out of the ordinary, but what was extraordinary in this instance was the level at which he was involved. There were two calls with him and the list was relatively long (18-20 items) the first time and shorter the next time. He was literally involved in the nitty-gritty and his involvement was the only way that we could break the log jams. This has played out at every single table.

I personally had never seen bargaining done like this by an employer, especially one of this size. They didn't allow any decision making at their tables and some of their chairs had years of experience. Their chairs worked with Mark Royse who has very little experience and no authority. The man behind the scenes was Bill Blase.

Again, we believed that we could use the momentum from the Midwest TA to pull the other tables along over a relatively short period of time. We had used that tactic in the past successfully. Of course now we know that didn't happen. Even with meetings every morning among leadership, it took another five weeks to get an agreement in District 9, another month to get one in Legacy T, another month in District 6, followed by District 3 which ratified their second TA last week. The first one was voted down. And, as we know Connecticut continues to bargain.

All through that we continued to mobilize. On April 23 we did our first online video meeting and we did an action the next day at the AT&T shareholders' meeting. On May 27, we did our second online meeting.

Outside of our bargaining, the world was a very different place than it had been six months earlier when we were bargaining with Verizon and Qwest. We were experiencing the worst economy since the great depression and we were seeing other negotiations produce dismal results, furloughs, pay freezes, and sometimes pay cuts and loss of benefits. Within the telecommunications industry, things continued to change at an ever faster pace with cable making greater inroads and the framework that many of us grew up with changing faster and faster. We don't bargain in a bubble and all of these things impacted what we were experiencing.

So, let's talk about the process and what we experienced in some more detail. Last fall I began interview with key constituents in the bargaining. I had a goal of interviewing each of the six vice presidents, the bargaining chairs and two elected members from each of the teams. The information I am going to share includes feedback from all of these folks.

So, why the interviews? I believe we should learn from our experience, what we did right, and what we believe we might have done differently. It allowed me to have quality one-on-one conversations. I learned a lot in every single interview. Yes, it is certainly easier to second-guess the morning after the big game, but we will bargain with this employer again and we need to learn from what we have been through and then move forward stronger than ever.□