

**The Strategic Initiatives of the CWA:  
Organizing, Politics, and Collective Bargaining**  
by

Rose Batt, Harry C. Katz, and Jeffrey H. Keefe  
Cornell University

Task Force Working Paper #WP15

Prepared for the May 25-26, 1999, Conference  
“Symposium on Changing Employment Relations and New Institutions of  
Representation”

October 31, 1999

**Draft in Circulation**

This paper was presented at a symposium that was funded under a grant from the Office of the Assistant Secretary for Policy, U.S. Department of Labor. Opinions expressed in this paper are those of the author(s) and do not necessarily reflect the opinions of the U.S. Department of Labor. Funding support was also provided by the Alfred P. Sloan Foundation.

# Table of Contents

<b>Foreword</b> .....	<b>ii</b>
<b>Abstract</b> .....	<b>iii</b>
<b>Introduction</b> .....	<b>1</b>
<b>Organizing</b> .....	<b>3</b>
<i>The Need to Organize</i> .....	3
<i>Organizing in the Bell Companies Through Collective Bargaining</i> .....	6
<i>Direct Campaigns</i> .....	11
<i>Mergers with Other Unions</i> .....	14
<i>Occupational Campaigns and Associational Unionism</i> .....	16
Customer Service Professionals: The Airlines Campaigns.....	17
Software Professionals: Washtech, Microsoft, and Amazon.com.....	21
Hiring Hall Models: Employment Centers and the Cisco Contract.....	22
<b>Political and Regulatory Involvement</b> .....	<b>26</b>
<i>National Regulatory Activities</i> .....	26
<i>State Regulatory Involvement</i> .....	29
<i>New York State Regulatory Developments</i> .....	30
<b>Collective Bargaining</b> .....	<b>33</b>
<i>Strategy and Structure: CWA Founded to Achieve National Bargaining with AT&amp;T</i> .....	33
<i>CWA Member Mobilization</i> .....	40
<i>New CWA Linkages in 1995 Bargaining: Effective Public Relations the Key to Victory</i> .....	41
<i>NYNEX Pays to Reign in the Union's Tactics</i> .....	43
<b>Summary</b> .....	<b>47</b>
<b>References</b> .....	<b>48</b>

## Acknowledgement

The authors are grateful to Danielle Van Jaarsveld for able research assistance.

## Foreword

### ***The Task Force on Reconstructing America's Labor Market Institutions***

The world of work is changing, but the traditional structures governing the labor market, in place since the New Deal, no longer serve the needs of workers and their families or of corporations seeking to compete in a global economy.

The mandate of the Task Force on Reconstructing America's Labor Market Institutions is to provide a body of evidence that helps policymakers and practitioners structure a national discussion on how to update the nation's labor market institutions—resolving the mismatch between a fundamentally new economy and a set of inappropriate intermediaries, laws, and corporate practices.

The efforts of Task Force members are divided among three working groups, each charged with examining a particular aspect of this labor market mismatch: the Working Group on the Social Contract and the American Corporation, the Working Group on Low-Income Labor Markets, and the Working Group on America's Next Generation Labor Market Institutions.

### ***“Symposium on Changing Employment Relations and New Institutions of Representation,” Task Force and U.S. Department of Labor Conference, May 25-26, 1999***

As part of the U.S. Secretary of Labor's project, “The Workforce/Workplace of the Future,” the U.S. Department of Labor joined with the Task Force to sponsor a symposium on changing employment relations and new institutions of representation emerging in the new economy. The meeting was organized around several key questions:

- What new strategies and structures are being developed to better represent today's workforce?
- How is the new social contract developing in selected “best practice” firms?
- How are industrial unions and corporations redefining their roles to meet the challenges of today's economy and workforce?

In addressing these questions, symposium participants discussed: the limits of enterprise-based social contracts; labor market institutions that are developing beyond the enterprise-including community-level strategies and alternative models such as professional organizations and social identity groups; and new union strategies for building capacity and rethinking structures.

This paper, written for the symposium by Rose Batt, Harry Katz, and Jeffrey Keefe of Cornell University, informed the discussion of new union strategies for organizing.

## **Abstract**

This paper, prepared by Rose Batt, Harry Katz, and Jeffrey Keefe for the “Symposium on Changing Employment Relations and New Institutions of Representation,” describes the Communications Workers of America’s (CWA) aggressive “triangular” agenda involving organizing, politics, and collective bargaining activities, which was developed in response to the challenges of massive industrial and technological restructuring. The activities in any one of these three dimensions often interact with and complement activities in another dimension. This linked agenda arises out of the natural interactions that surface across issues in today’s economic environment. In addition, such triangulation provides a way for the union to counteract the power imbalance that has been created by industry restructuring. The CWA was able to coordinate its activities effectively across dimensions because it had a legacy of such linkages, which were stimulated by historical factors, including the quasi-public sector nature of the former Bell system.

As the authors explain, although the CWA has done a masterful job of broadening its vision and strategies, the union has suffered overall membership stagnation. In its core sector, telephone services, the CWA has only been able to sustain sizeable representation among residential service providers and has not been able to organize those employers in the cable, cellular, Internet service provider, and long-distance sectors, which aggressively oppose unionization. Thus, the organizing challenge remains critical for the union, even as organizing activities increasingly interrelate with the union’s regulatory and collective bargaining efforts.

## Introduction

It has become fashionable to claim that there is a trade-off in the extent to which unions can focus on organizing versus servicing activities.<sup>1</sup> This claim is usually made as part of an argument that American unions need to focus more extensively on organizing in order to reverse declines in membership and power. Based on a case study of the recent strategic initiatives of the Communications Workers Association (CWA), this paper argues that no such trade-off exists. Facing the challenges of massive industrial and technological restructuring, the CWA has been engaged in an aggressive “triangular” agenda focusing on organizing, politics, and collective bargaining. The union’s activities in any one of the three dimensions often interact with and complement activities in another dimension. For example, it is through new language won in collective bargaining agreements with the Regional Bell Operating Companies (RBOCs) that the CWA gained card check recognition and employer neutrality in representation elections—key parts of the union’s organizing initiative. Similarly, the CWA’s political and regulatory activities have been linked to its efforts to strengthen strike leverage and to achieve more wins at the collective bargaining table.

Throughout this paper, we support this argument by providing evidence from several sources: our own extensive field research in the industry; archival sources; aggregate data from government sources, including the Current Population Survey (CPS) and the National Labor Relations Board (NLRB); and our own 1998 survey of a nationally-representative sample of 636 telecommunications services establishments drawn from the Dun and Bradstreet listing<sup>2</sup>.

---

<sup>1</sup> The first claim of such a trade-off first appeared in Midwest Center for Labor Research. (1991). For a nice review of the debates surrounding union revitalization see Hurd. (1998).

<sup>2</sup> The sample is a stratified random sample drawn from the Dun and Bradstreet listing of establishments. Establishments were stratified by size (10-99 employees, 100-plus employees) by SIC code (4812, cellular; 4813, wireline; 4841, cable; and Internet services), and by state location. We oversampled establishments with at least 100 employees so that the survey would cover a larger percentage of the workforce in the industry. The remaining smaller establishments were stratified so that the total sample reflects the relative proportion of establishments in each industry subsegment of the 1998 Dun and Bradstreet industry listing. The telephone survey was administered by a university-based survey research organization in fall, 1998. Participants received an introductory letter requesting their participation and a follow-up telephone interview that lasted 52 minutes on average. The response rate was 54 percent.

While we find that the notion of a trade-off between organizing and servicing inadequately conveys the challenges confronting the CWA; however, consistent with the literature espousing such a trade-off, we do observe that the CWA's greatest challenge lies in the area of organizing. As we will show, although the CWA has done a masterful job broadening its vision and strategies, the union still has suffered overall membership stagnation. Furthermore, in its core sector, telephone services, the CWA only has been able to sustain sizeable representation among residential service providers and has not been able to organize those employers in the cable, cellular, Internet service provider, and long-distance sectors, which aggressively oppose unionization.

A quest for increased power provides the motivation for the activity overlap. However, why was the CWA so well-equipped to pursue such an overlapping, triangular strategy? Our analysis shows that the CWA was able to coordinate activities across dimensions effectively because it had established a legacy of such linkages, which were stimulated by historical factors, including the quasi-public sector nature of the former Bell system.

# Organizing

## The Need to Organize

Since the break-up of the Bell System in 1984, the CWA has transformed itself into an aggressive organizing union in order to survive. While, prior to divestiture, the union maintained a stable base of roughly 650,000 telephone workers in the regulated Bell system, deregulation led to downsizing and workforce displacement in the post-divestiture Bell companies. The most dramatic example of membership reduction occurred at AT&T, which eliminated over 60 percent of its unionized workforce between 1984 and 1992. During the same period, the regional Bell companies reduced ranks by about 30 percent through attrition (Keefe and Batt 1997).

The union's traditional core included blue-collar craft and clerical workers in the regulated telephone companies whose primary business was voice transmission through local and long distance wire-line telephony. With deregulation and technology change in the 1980s, the industry grew to include new non-union wire-line companies, wireless enterprises, and cable TV companies. The occupational groups in these companies, however, are quite similar to those in the union's traditional core. That is, on the technical side, these groups include network technicians such as installation workers and repairmen, cable splicers, and linemen. On the sales and marketing side, they include customer service and sales workers.

With the continued growth of digital technologies and the development of the Internet, a third occupational group has emerged: computer programmers and software specialists. While some employees in this third category are part of the bargaining unit in the unionized core occupations, many other employees have been classified by management in the Bell companies as managerial and, therefore, exempt from collective bargaining. In addition, the converging information services industry is now viewed as including content providers as well, such as the printing and publishing, electronic publishing, data information services, radio, broadcast, and entertainment sectors. These businesses include a wider range of technical and professional occupations, from radio broadcasters and journalists to computer programmers and software specialists.

Given the changing boundaries of the information industry—and the new occupational groups that comprise it—perhaps the most fundamental challenge for the CWA has been its need

to transform its identity from that of a “telephone” union to the “union of the information age.” Just as the Bell companies have had to shed their image as slumbering bureaucracies, the CWA has sought to remake itself as the union of the converging information services industry. There are several aspects to this challenge. The first is sheer numbers: while the total workforce in the traditional industry was roughly 1.1 million, the working population in the converged information industry is closer to 6 million. The second challenge is more strategic in nature. In the old system, the union had forged longstanding relationships with a handful of companies and bargained one national pattern agreement across the entire Bell system. By contrast, the union now faces thousands of small non-union companies in the deregulated markets that exist outside of the purview of regulators.

In addition, the technical and professional identity of the workforce in the broader information industry is quite different from that of the union’s traditional base of clerical and craft workers. Moreover, many technical and professional workers in computer and information services—up to 30 percent by one union estimate—are employed in non-standard work arrangements as independent subcontractors, freelancers, temporary workers, and agency workers. Organizing this workforce requires that the CWA develop campaigns that address the occupational concerns of these non-standard workers and find ways of representing them beyond traditional collective bargaining.

The CWA has responded to these organizing challenges in a consistent and creative manner. Unlike many unions that have suffered dramatic membership declines, the CWA currently has almost the same number of members as it did in the early 1980s. However, the composition of the membership has expanded, particularly to include other white-collar occupations. Currently, the union represents roughly 630,000 members: 500,000 workers in the broadly-defined information services industry; and an additional 130,000 in higher education, state and local government, airlines, and health care. (Membership in the various subdivisions of the union is described in detail on the union’s website at [www.cwa.org](http://www.cwa.org).) As shown in Table 1, the CWA has gained new members through a variety of organizing strategies, including: political pressure in the regulatory arena; collectively-bargained union security agreements (yielding about 11,000 members); direct elections under the National Labor Relations Board (NLRB), often in the face of fierce anti-union corporate campaigns (adding over 32,000 members); associate memberships where elections are not feasible (resulting in over 1,000

members); and mergers with other unions and associations (producing almost 120,000 members).

**Table 1**  
**Major Membership Gains for the CWA: 1985 to 1999**

<b>Year</b>	<b>Source of New Members</b>	<b>Approximate Number of Members</b>
<b>Organizing Under Neutrality Agreements</b>		
1986->	AT&T (at various locations)	5,000
1986->	Pacific Telesis	1,000
1986->	Southwest Publishing and Voice Messaging	200
1989	Bell Atlantic Business Systems	50
1992	US West	1,800
1992	Ameritech	1,000
1992->	SBC Wireless	1,060
1995	NYNEX customer services (residential)	2,000
1998->	Pacific Telesis Wireless	600
1998->	Ameritech Wireless	
<b>NLRB Elections Wins Over Anti-Union Campaigns</b>		
1985->97	In Telecommunications	6,104
1999	Airlines: US Airways	10,000
<b>Mergers</b>		
1982 to 85	Telephone Independent Unions in NY, PA, Delaware	40,000
1987	International Typographical Union	25,000
1993	National Association of Broadcast Employees & Technicians	9,000
1994	The Newspaper Guild	31,000
1998	Southern New England Telephone Workers Union	6,500
1998	Dow Jones	2,500

Sources: Keefe and Boroff (1994); National Labor Relations Board; CWA News; [www.cwa.org](http://www.cwa.org).

According to NLRB data, between 1985 and 1997, the CWA won 48 percent of the elections it filed—higher than the average AFL win rate of 43 percent. Overall, the CWA was

involved in a total of 810 NLRB elections across all industries, and won 388. The total number of employees in the election units was 49,603; some 43,413 voted, and 21,632 voted for the union. The total number of employees in the election units won by CWA was 22,317. With respect to information services, the industry classification that comes closest to capturing the broadly-defined converging industry is SIC code 48 (which includes wireline, wireless, cable TV, radio, broadcast, and other communications, but does not include printing and publishing or data information services). Between 1985 and 1997, the CWA was involved in 235 elections in this sector, and won representation rights for 6,104 workers (Table 2). As illustrated below, however, many of these victories were in cable TV, a sector in which unions have had difficulty getting first contracts and often have been decertified.

**Table 2**  
**CWA Members Gained Through NLRB Election Wins,**  
**by Industry Segment, 1985 to 1997**

<b>Industry Segment</b>	<b>SIC Code</b>	<b>CWA Members Gained</b>
Telephone	481	4,135
Telegraph	482	34
Broadcasting	483	537
Cable TV	484	935
Mostly Cable	489	463
<b>Total</b>		<b>6,104</b>

Source: National Labor Relations Board

In sum, the CWA has gained members by diversifying into other white-collar occupations. In the broadly-defined information services industry, the union has made some inroads into new occupational groups and new non-union employers, but its membership continues to be concentrated in the traditional wireline industry segment, particularly in local exchange carriers, among traditional network craft workers, and among service and sales workers serving residential customers.

### **Organizing in the Bell Companies Through Collective Bargaining**

In the old Bell system, union membership declined for four reasons: (1) the companies downsized the traditional unionized wireline segment; (2) they created separate non-union subsidiaries for wireless, data communications, telemarketing, and other non-regulated enterprises; (3) they outsourced and subcontracted work; and (4) they redefined high-skilled technical positions as managerial/professional, rendering them exempt from collective bargaining. The CWA responded during contract negotiations by mobilizing its membership and demanding wall-to-wall recognition. It succeeded in negotiating a series of union security clauses that varied from neutrality pledges (the company’s pledge not to campaign against a union drive) and expedited elections to card-check recognition (union recognition without an NLRB election, once 50 percent plus one of the bargaining unit employees sign union cards). The CWA also negotiated reductions in outsourcing and agreements to bring technical work back into the bargaining unit. By 1998, the CWA had negotiated neutrality pledges in all of the major unionized companies except US West. It won expedited elections at AT&T, BellSouth, GTE Southwest, and Lucent. It won card check recognition at Ameritech Cellular, Bell Atlantic, and SBC (formerly Southwestern Bell). The full list of security clauses is provided in Table 3.

**Table 3**  
**Collectively-Bargained Organizing Rights:**  
**Neutrality, Expedited Elections, and Card Check**

<b>Company</b>	<b>Neutrality</b>	<b>Expedited NLRB Consent Elections</b>	<b>Card Check</b>	<b>Exceptions</b>
Ameritech	X			
Ameritech Cellular	X		X	
AT&T	X	X		Effective 5/10/2000 and one year after mergers; third party can order card check
Bell Atlantic	X		X	Bell Atlantic Mobile and GTE excluded
BellSouth	X	X		
GTE Southwest	X	X		Card in existing areas
Lucent	X	X		Wholly-owned subsidiaries
SBC (includes SWB, PacBell, SNET)	X		X	
US West				Accretion of 150 employees and successorship

The striking aspect of the union security clauses is that, while the CWA began to demand wall-to-wall union recognition soon after divestiture, it met with limited success until the companies began needing union support in the regulatory arena. The companies sought legislation in each state to replace rate-and-entry legislation with incentive regulation, which then allowed them to abolish their state-based operations and move to regional and national service organizations. The companies convinced state politicians that the existing regulation was choking off new competition and delaying the deployment of the information superhighway. The unions supported their efforts in return for guarantees for union and job security. By the mid-1990s, the companies needed union support for their corporate merger activity. As described in greater detail in the next section of this paper, the CWA won the union security clauses by linking regulatory and collective bargaining activities. For example, the CWA supported SBC's acquisition of PacTel (formerly Pacific Bell) and Ameritech, the NYNEX-Bell Atlantic merger, and the GTE-Bell Atlantic merger (CWA, December 12, 1998). In 1998, the CWA negotiated a successorship clause with US West, which applies to the recent acquisition of that company by Qwest.

Perhaps the most innovative security agreement was signed by AT&T and the CWA on August 21, 1998, as part of a new four-year contract. The union gained neutrality and expedited election rights for all wholly-owned subsidiaries, including businesses that AT&T "recently acquired or plans to acquire." The contract includes third-party review of the company's actions, and the agreed-upon arbitrator is Tom Donohue, former vice president of the AFL-CIO. Donohue can order card check recognition if he finds the company has failed in its neutrality pledge. AT&T acquisitions that fall under this language include Tele-Communications, Inc. (TCI), Teleport, and Media One. For AT&T, the *quid pro quo* is that the union has not—and will not—oppose any of its merger activity. In fact, the CWA has sided with AT&T and the RBOCs in its vigorous campaign against the MCI/WorldCom deal in 1998 (see Keefe 1998) and the 1999 proposed merger between MCI/WorldCom and Sprint (*CWA News*, October 8, 1999).

The union has had considerable success in organizing under neutrality agreements, as indicated in Table 1. It has gained at least 5,000 members at AT&T and 2,000 each at NYNEX (now Bell Atlantic), US West, Pacific Telesis, Ameritech, and SBC. A particularly dramatic win

under a neutrality clause occurred at NYNEX in January, 1995, when the union organized 2,000 representatives serving residential customers in New Hampshire and Maine. This group of workers was the largest that had historically remained outside of the union in that district, and the vote was close, at 53 percent. It is very likely that the union would not have won if the company had campaigned heavily against the union. In fact, even with the neutrality clause, some 1,000 representatives serving business customers remained outside of the union.

In addition to negotiated security clauses, the union has also maintained membership levels by negotiating limits on outsourcing, subcontracting, and the use of contingent workers. On an aggregate level, data from our 1998 national survey of telecommunications establishments show that unionized companies are significantly less likely to use part-time and temporary workers or to outsource work done by union members. As shown in Table 4, 94 percent of unionized technicians enjoy permanent full-time status in network services, compared to 84 percent in non-union establishments. In service and sales centers, the comparable figures are 93 percent and 88 percent, respectively. Unionized service centers are also less likely to outsource work to subcontractors.

**Table 4**  
**Outsourcing, Part-Time, and Contingent Arrangements in**  
**Union and Non-Union Establishments, 1998**

<b>Contingent Work Arrangements</b>	<b>Customer Service</b>		<b>Network</b>	
	<b>Union</b>	<b>Non-Union</b>	<b>Union</b>	<b>Non-Union</b>
Percent of workforce that is part-time	4.4	8.8	5.3	12.3
Percent of workforce that is temporary	2.6	3.2	0.6	3.3
Percent of workforce that is permanent, full-time	93.0	88.1	94.1	84.4
Percent of work that is outsourced	2.5	3.1	--	--
Sample size	54	299	72	115

Source: 1998 National Survey of the Telecommunications Services Industry

The CWA has been very successful in limiting these low-cost alternatives for network technicians and customer service representatives; however, it has had greater difficulty in doing so for lower-skilled jobs such as telemarketing and operator services. For example, one of the most successful campaigns against outsourcing occurred as a result of the 1998 strike against Bell

Atlantic. The company had begun outsourcing core customer service and sales work to Bell Atlantic Plus, a low-cost service operation that quickly gained a reputation for poor service. This outsourcing became one of the key issues in the 1998 strike, in which the union launched a public campaign to support the consumer and bring the work back in-house. As part of the 1998 strike settlement, Bell Atlantic agreed to bring all of the work back in-house; the agreement also precludes any new subcontracting until January, 2000, as well as a six-month notification of any proposed subcontracting after that date.

In other cases, the union has had to make the difficult decision to negotiate a second-tier contract in order to bring work in-house that was lost to low-cost carriers or historically done by independent contractors. When it has done so, the CWA has linked negotiated changes in collective bargaining contracts with the employment-retention aspects of its organizing agenda. For example, Bell Atlantic bargained a second-tier, unionized subsidiary in 1995, Bell Atlantic Communications and Construction Services Incorporated (BACCSI). BACCSI technicians do the work previously done by network installation and repair technicians under the main union contract, but at 55 percent the rate of pay. The BACCSI technicians compete directly with non-union electricians for inside wire work. (Bell Atlantic has lost 80 percent of the residential inside wire work to non-union contractors since divestiture). Most of the former network installation and repair technicians have been promoted to top craft positions (with a 10 percent wage increase) to work on cable and network modernization. Within the first two years of operation, BACCSI hired and trained over 1,500 technicians; in New Jersey alone, at least 500 received transfers to work for Bell Atlantic Network Operations as “core” technicians at the top union wage scale.

BellSouth negotiated a similar agreement with CWA District 3. In that case, the union and management undertook a joint study to bring in-house the work of “buried service wire” that was historically subcontracted. After a successful pilot, a separate contract was negotiated, with a lower wage scale and the opportunity for these workers to have first rights to bid into entry-level technician jobs under the main union contract.

Telemarketing and operator services offer a different story, however. Since deregulation, when outbound sales became an essential part of doing business, most Bell companies have established separate non-union telemarketing operations or outsourced them to low-cost providers. Most of this work continues to be outsourced, with the exception of union-negotiated

agreements in 1998 to bring some telemarketing in-house at SBC and at an Idaho telemarketing center at US West.

In operator services, where unionization has a long history (Norwood 1990), full-time and well-paid union jobs have been losing ground to part-time, contingent, and outsourced arrangements. An example is AT&T operator services, which has competed against the lower costs of MCI. In 1992, MCI hired First Data Corporation, a subsidiary of American Express, to run its operator services. MCI then laid off all of its operators, who were offered jobs at \$5 to \$6 per hour without benefits to work for First Data. AT&T, by contrast, was paying union operators \$12.83 per hour plus an additional \$8 per hour in benefits. Although AT&T operators were 20 percent more productive and had a 50 percent lower error rate in call completion, AT&T was unable to compete with MCI's 70 percent lower labor costs. In a difficult set of negotiations, the company and union retained the full-time title with its existing wages and benefits, but also negotiated a new part-time job title, paying \$7 per hour with limited benefits. Within a year, 70 percent of the operators were part-time. This occurred because AT&T closed many operator centers and consolidated them into mega-centers located in a small number of geographic locations. Operators who wished to keep their jobs had to geographically relocate; but less than 30 percent chose to do so. This two-tier approach had spillover effects for operator services in 1995 bargaining at the regional Bells, several of whom followed the AT&T pattern.

## **Direct Campaigns**

In contrast to organizing among core employees of former Bell companies, the CWA has had greater difficulty penetrating new non-union entrants, who tend to be fiercely anti-union. The CWA has attempted to organize the large long distance companies such as MCI and Sprint, as well as the large cable companies such as TCI and Time Warner. When it has won elections, it has had great difficulty getting contracts negotiated. Ultimately, the CWA is likely to organize new members in these companies to the extent that they are acquired by existing Bell companies where the union has negotiated security clauses. Two noteworthy examples are TCI and Sprint. Currently, the CWA represents workers at only a handful of TCI sites; however, with AT&T's acquisition of TCI and the union-negotiated neutrality clause, the union has more hope of future organizing success. At Sprint, by contrast, the union reports 5,000 members in 12 locals (*CWA*

*News*, October, 1999), but the pending merger between MCI/WorldCom and Sprint is likely to make further union penetration much more difficult.

The case of TCI is exemplified by a fiercely contested organizing drive in Baltimore, where workers first tried to organize with the CWA in 1993 and lost the first election<sup>3</sup>. TCI brought security guards into the workplace, fired three workers and suspended fifteen others for six weeks. The company also ultimately fired the president of the Baltimore TCI unit, because, as TCI's private investigator described in subsequent court proceedings, he was not sufficiently enthusiastic in discouraging employees from voting for the union. After the election loss, TCI retaliated against the workers who supported the union by herding them into a room and holding them in a captive audience meeting. Of the 27 workers held in the room, three were fired and the rest quit. During the second campaign, more workers became involved, and the CWA extended the campaign to involve the community. The Mayor of Baltimore supported the campaign, because TCI had been overcharging subscribers. The workers used this information to gain support from the community and held a rally to alert the public. On July 29, 1994, a majority of TCI workers voted for union representation. Currently, only 3 percent of TCI workers nationwide are unionized.

By contrast, with the merger between AT&T and TCI pending in 1998, TCI did an about-face—at least in its public relations. For example, a spokesperson for TCI, LaRae Marsik, stated: “I hate to sound like a bumper sticker, but the truth is that we’ve always been and we will remain pro-choice when it comes to unionized labor” (Multichannel News, August 10, 1998). In another statement, the TCI spokeswoman said that her company “absolutely doesn’t discriminate against or allow the harassment of any employee because of any union affiliation or sentiment for organizing a union, just as TCI doesn’t discriminate or allow the harassment of employees based on race, color, creed, religion, gender, national origin, age, disability, sexual orientation, or any other status protected by applicable federal, state or local law” (*The Denver Post*, August, 1998).

Given these public statements by TCI, coupled with the 1998 contract language for expedited elections and third-party review, the union views TCI as a test case for its new security clauses. However, the contract language itself does not ensure neutrality and union access. In

1999, for example, the union and AT&T arbitrated their first dispute over the interpretation of the neutrality language in a case involving union access to organizing a Pittsburgh customer call center in its wireless business. AT&T charged that the union failed to give it appropriate notice of the beginning of its organizing drive, but the arbitrator found in favor of the union. CWA has also charged that AT&T has failed to bargain with CWA following election wins in Arizona, Florida, and Kansas (*CWS News*, October, 1999).

The Sprint case illustrates the difficulties that the CWA has encountered in trying to organize workers in an aggressively anti-union company<sup>4</sup>. In the now-celebrated case of “La Conexion Familiar,” the CWA led an organizing drive to represent 177 Spanish-speaking workers at a customer call center. In July 1994, eight days before a scheduled representation union election, Sprint closed the facility. The union filed unfair labor practice charges with the NLRB, and in December 1995, the NLRB concluded that Sprint was guilty of “widespread misconduct, demonstrating a general disregard for the employees’ fundamental rights.” The Board told Sprint to cease and desist from “threatening employees with the closure of any of its facilities if the union comes in.” The NLRB did not require that the facility be opened. Rather, the Board had told Sprint to offer each employee reinstatement to a position in its existing operations that is substantially equivalent to the employees’ former jobs. The Board also ordered that back pay be calculated from the date of termination to the offer of reinstatement.

Sprint then appealed the NLRB’s decision to the U.S. Court of Appeals, which reversed the Board’s decision in November 1997. In overturning the NLRB, the Court said that an “enormous body of financial data and testimony” pointed to the conclusion that the facility was closed due to grim financial performance, not as an attempt to thwart a union drive in violation of the NLRA. At the same time, the Court acknowledged that Sprint had conducted an “illegal antiunion campaign” in the spring of 1994 and had created a “false paper trail” to head off any future questions about whether the facility was closed in violation of the NLRA. This case has international significance as it led to the first, and so far only, complaint filed against the United States under the auspices of the North American Free Trade Agreement’s labor side accord (*Daily Labor Report*, November 26, 1997; December 31, 1996).

---

<sup>3</sup> Sources for the TCI Baltimore case include: field interviews by Batt with Baltimore TCI union members and local union president; interviews with Patrick Hunt, CWA national union staff; and publicly available documents from court hearings on the TCI case.

<sup>4</sup> Sources for the Sprint case include Katz and Kochan (1999: 153) and *Daily Labor Reports*.

Without the help of neutrality language, as in the AT&T/TCI case, the CWA has sought other avenues for exerting pressure on Sprint. For example, to prepare for bargaining contracts for 5,000 members in 1999, the CWA mobilized the support of Communications International, the federation of unions representing 4.5 million telecommunications and postal workers internationally. Given the growing importance of Sprint's international operations and the fact that it is 10 percent owned by Deutsche Telekom, the CWA mobilized world telecommunications unions to censure Sprint and protest its anti-union activities (*CWA News*, October, 1999).

In summary, the CWA has used its political support for mergers coupled with traditional collective bargaining strategies to organize in the non-union business units of the former Bell companies as well as in the non-union companies in wireline, wireless, and cable TV. Collective bargaining was also used to help keep unionized work in-house. Direct organizing among aggressive non-union employers, even those in the telecommunications sector, were less successful. From the CWA's experience thus far, it appears that direct organizing campaigns and NLRB elections are unlikely to lead to major organizing victories without the help of collectively-bargained union security clauses, as well as without the extension of those clauses to cover newly-acquired non-union businesses.

### **Mergers with Other Unions**

Mergers with other unions have also contributed to CWA's strength<sup>5</sup>. With the deregulation and restructuring of the industry, several historically independent telephone unions joined the CWA. Between 1982 and 1985, during the period of AT&T's divestiture, three independent telephone unions in New York, Pennsylvania, and Delaware with 40,000 members joined the CWA. More recently, in 1998, the Southern New England United Telephone Workers union brought 6,500 members into the CWA, when SBC took over its parent company, the Southern New England Telephone Company. In 1999, the 4,000-member Puerto Rican Independent Union of Telephone Workers (UIET) began exploring merger talks. The CWA had supported that union's 41-day strike against privatization in 1998. While privatization did occur, the company was acquired by GTE.

---

<sup>5</sup> Sources for merger information include interviews by Keefe with CWA staff, [www.cwa.org](http://www.cwa.org).

The CWA and GTE have developed a strong partnership approach to labor-management relations in recent years. In talks between UIET and GTE and support from CWA president Morty Bahr, GTE agreed to the recognition of unions and existing bargaining agreements, a no-layoff policy, no contracting out and, for three years, no rate increase for customers (Report of the CWA 61<sup>st</sup> Annual Convention, [www.cwa.org](http://www.cwa.org)).

Beyond the CWA's activity in wireline, wireless, and cable transmission, it has sought to build a presence in the broader information services industry. Mergers with other unions have served as a primary vehicle to achieve this goal (see Table 1). In 1987, 25,000 members of the International Typographical Union (now the International Allied Printing Trades Association) also joined, establishing the CWA's presence in the printing and publishing industries. By the early 1990s, the union expanded to include other communications media and entertainment markets, including the 1994 merger of 9,000 members of the National Association of Broadcast Employees and Technicians (NABET) and the 1995 inclusion of 31,000 members of The Newspaper Guild (TNG). Also in 1998, 2,500 workers at Dow Jones joined the CWA.

In addition to boosting membership, these mergers have been particularly important in strengthening the CWA's presence in the content side of the information industry and among white-collar technical and professional employees. The Allied Printing Trades, for example, represents a wide range of occupations in printing and publishing in newspapers, commercial print shops, graphic arts companies, and the U.S. Government Printing Office. TNG represents traditional print occupations, including journalists, correspondents, editors, editorial artists, and photographers, as well as sales and marketing staff, accountants, commercial artists, information systems specialists, and online writers and designers. It also includes the 400-member Translators and Interpreters Guild, which joined TNG in 1991. NABET members include engineers, technicians, news writers, announcers, directors, and photographers, among others, who work at ABC, NBC, and over 100 private radio and TV, film and videotape companies. These members, in turn, have made it more feasible for the CWA to reach out to unorganized white-collar workers. For example, WashTech (the Washington Alliance of Technology Workers), the organization of software professionals at Microsoft and other high-tech companies (described in greater detail below), affiliated with the CWA through the Newspaper Guild. Computer programmers are code writers, and have much in common with other media content providers. Similarly, in July, 1999, an organization of IBM employees formed [Alliance@IBM](#)

and affiliated with the CWA in order to protest IBM's cuts in retirement plans and other benefits. The organization's mission statement focuses on the need to ensure adequate retirement plans and benefits for "career-minded" IBM employees who are dedicated stakeholders committed to the success of the company. In September of 1999, a committee of IBM workers in conjunction with CWA President Bahr participated in hearings before the Senate Health, Education, Labor, and Pensions Committee on pension issues (see [www.allianceibm.org](http://www.allianceibm.org)).

The exploration of possible mergers continues with other organizations, including the American Federation of Musicians, the theatrical and stage workers union (IOSTI), and the 366,000-member American Postal Workers Union (APWU). These organizations fit the CWA's definition of the broader information industry. The APWU merger is a good fit for a number of reasons. Historically, the unions have worked together through Communications International, the postal and telecommunications federation representing around 5 million workers worldwide. In many other countries, post, telegraph, and telephone workers traditionally have been organized into one union. In addition, the CWA already represents thousands of other public-sector workers, and the dispersed geographic membership base of both organizations provides a good organizational fit. Currently, the CWA and APWU have undertaken a series of joint projects, including an organizing effort in Greensboro, N.C.; a California union dues initiative before the state legislature; and plans for "a coordinated strategy for this year's congressional and gubernatorial races, a strategy that might show their clout in the many small towns where the APWU and the CWA are the major labor presence" (*Washington Post*, March 12, 1998).

Finally, consistent with what has occurred at the national level, the CWA has worked with other national telecommunications unions to broaden the membership base of Communications International (CI). At its September 1999, World Congress meeting in Geneva, Switzerland, the international trade union secretariat of the CI voted to endorse merger into a broader consortium. As of December 31, 1999, the new entity, Union Network International (UNI), will include the CI, the Media and Entertainment International (MEI), the International Graphical Federation (IGF), and the Federation of Commercial, Clerical, Professional, and Technical Employees (FIET). The larger entity will include 15 million members in 800 affiliated unions in 140 countries.

## **Occupational Campaigns and Associational Unionism**

One of the most effective ways that the CWA has organized new members is by drawing on its existing membership base. Organizing is the responsibility of the local unions, who rely heavily on member volunteers to staff organizing campaigns. The union is able to do so because it has negotiated release time for union-related work in its collective bargaining agreements across the country. Again, this example demonstrates how collective bargaining for existing members helps the CWA to organize new members. Union members who are granted release time from work are then compensated by the CWA for their lost time.

This strategy of member-to-member organizing is effective for several reasons. Not only are existing members the most effective source of information about their own organization, they also can credibly counter employer claims that the union is a “third party.” The campaign organizers are not outside union staff from Washington, D.C. They not only know the local community but also can use their social networks of friends and family members to build trust with workers who are contemplating joining the union. The tactic is also highly cost-effective and allows the union the flexibility to quickly staff up or down, according to the cycle of each campaign. The size of the union’s full-time organizing staff is quite small (twelve staff members assigned to the nine regional districts across the country). In addition, member-to-member organizing is particularly effective for the CWA because its traditional membership in the telephone companies is geographically dispersed in cities, towns, and rural areas across the country. This dispersed membership has helped the union to take on national campaigns such as its recent efforts to represent 10,000 customer service agents at US Airways and 15,000 at American Airlines.

In the cases below, we describe how the union has used member-to-member organizing from its traditional occupational base—customer service and sales workers and technicians—to create occupationally-based campaigns in other industries: airlines, in the case of customer services; and computer software, in the case of technicians. We also show how the CWA has attempted to respond to subcontracting and flexible labor arrangements by becoming a “supplier of labor” through the operation of union hiring halls.

**Customer Service Professionals: The Airlines Campaigns<sup>6</sup>.** The US Airways campaign was the CWA’s first major success in its effort to establish its identity across all

---

<sup>6</sup> Sources: news clips, Batt interviews with CWA members and organizing staff, printed material from the campaigns, CWA website.

industries as “the customer service professional’s union.” This occupation has grown dramatically in the 1990s. Based on 1996 Bureau of Labor Statistics (BLS) data, the union estimated there were 3.3 million customer service and sales employees in transportation, real estate, business services, financial services, advertising, billing, and communications (CWA 1996). The representation of customer service employees across industries is a natural extension of the union’s historic base of service and sales workers in the Bell companies. Within the union, this occupational group has grown enormously in number and importance in the deregulated period: while Bell companies did not focus on sales as regulated monopolies, subsequently they have had to create sales-oriented service organizations to compete with new low cost entrants. The Bell companies have come to view customer service and sales representatives more strategically—as the face of the company to the customer. At the same time, they have squeezed costs out of customer service operations through process reengineering, office consolidation, and human resource practices that put pressure on workers to sell (Batt and Keefe 1999).

With over two decades of experience in battles around electronic monitoring, job design, performance-based management, outsourcing, and pay, the union has a wealth of experience in representing the interests of call center employees and has made significant gains for these members in contract negotiations since deregulation. As detailed in the next section, these gains include limits on electronic monitoring and outsourcing, limits on forced overtime, and substantial wage increases that have begun to close the gap between the pay of the traditionally-male network technicians and that of the traditionally female office workforce. In 1997, CWA customer service representatives were making over \$20 per hour, while customer service representatives at US Airways were making between \$8.50 and \$13 per hour.

In addition, within the union, a strong occupational network of customer service and sales workers has grown and developed since the late 1980s. With the break-up of the Bell system and national pattern bargaining, the union began organizing annual “marketing conferences” which brought together members who worked in service and sales in different companies across the country. Each annual conference draws between 200 and 300 local members and stewards (rather than primarily local presidents), including a mix of regular participants and newcomers. The conferences focus on developing coordinated bargaining agendas and contract language as well as discussing ongoing workplace issues and mobilization strategies. For example, when the

Bell companies began adopting tight restrictions on scheduling, including requirements that service reps “adhere” to their schedules (remain plugged into the computer and telephone lines) 90 percent of the day, the reps jointly developed mobilization campaigns to combat the pressure. The national union also commissioned studies to quantify the high level of job-related stress experienced by customer reps as well as studies of ergonomics and carpal tunnel syndrome. Local members then used the data in their labor-management committees to address these issues.

This type of “internal organizing” has helped to build a tight network of creative local leaders in customer service and sales who have strong identification with the national union as well as with their local locals. Over time, they have come to consult with one another not only during conferences or contract time, but on an ongoing basis. Despite the dispersed membership base, the workers have relied on the tools of their trade that they know so well—teleconferencing and, increasingly, the Internet—the latter of which served as a major communication vehicle during the summer 1998 round of contract negotiations, when four strikes occurred across the country.

The union also has worked hard to further develop the professional identity of customer service workers—an identity focused on consumer advocacy and customer service, and one that builds on the historic public service identity of telephone workers in the regulated era (e.g., Barnard 1938). While the ongoing downsizing of the companies undermined much of that spirit in the 1980s, the CWA consistently has linked its “quality jobs” campaigns to quality service, contending that one cannot exist without the other. In the union’s publication on “Customer Service Professionals,” for example, it argued that “Employers that short-shrift their employees also find that they short-shrift their customers as well. Under-staffing, speed-up, part-time and temporary employees, lack of training, and stressful working conditions undercut the ability of dedicated customer service professionals to provide good quality service” (CWA 1996). The union linked seven conditions to quality customer service: job security, full-time careers and equity for part-timers, flexible work schedules, fair pay, training and skill improvement, control of stressful working conditions and electronic monitoring, and health and safety.

In summary, the CWA’s strategy for representing its own members has been to link a business strategy based on quality customer service to a jobs strategy based on professional work standards. It has created national employee networks for ongoing internal organizing and mobilization around critical occupational issues. These activities, in turn, have built the

infrastructure for launching its national campaigns for customer service professionals in the airline industry.

Initiated in 1995, the US Airways campaign relied heavily on appealing to the professional identity of the agents—particularly, the discrepancy between the company’s demand to “act professional” and its failure to treat employees “as professionals.” The tone of the campaign, for example, was professional and focused on the need to improve customer service rather than on attacking the company per se. At the time, US Airways was at the bottom of airline customer service rankings (by 1998, it had become number one). Most of the critical issues, however, were traditional union issues: higher pay, equitable pay (elimination of a two-tiered pay scale), respect for seniority, job security, and elimination of part-time work.

To organize such a dispersed national workforce, the union called on its network of CWA customer service and sale workers in every airport terminal or reservation center with a US Airways presence. Member-to-member organizing was at the heart of the campaign. Twenty-five full-time member organizers ran the campaign. At the same time, similar to the sales and marketing network inside the union, the union helped the US Airways employees build their own internal employee network. A newsletter written entirely by workers established ownership and developed leadership. Workers also traveled from airport to airport organizing their own members; the CWA paid the travel expenses, because US Airways only provided discount travel to its employees for vacations. The union also used a 1-800 number and regular conference calls with the far-flung organizing committee to coordinate the campaign. The CWA won a rerun election in September 1997, and as of May 1999, contract negotiations under the guidance of a mediator were reaching their conclusion. At that point, however, the company stopped negotiations when a federal appeals court found in its favor that the rerun election was procedurally flawed. Despite the fact that US Airways unilaterally implemented many of the improvements already agreed to in bargaining, workers voted for the union by a much larger margin (67 percent) in the second rerun election, held on August 20, 1999.

Agents at American Airlines approached the CWA to ask for organizing assistance almost immediately following the US Airways victory. Unlike US Airways, which did not campaign heavily against unionization, the CWA at American confronted a well-orchestrated employer campaign, including captive audience meetings and over twenty anti-union mailings. The union lost the first round of voting in December 1998, but is continuing to organize for

another election. Approximately 41 percent of employees (5,800) voted for the union, but a majority vote for the unions by all bargaining unit members is required for elections to be valid under the Railway Labor Act. As in the case of US Airways, organizing largely has occurred through member activity. For example, drawing on its successful affiliation with CWA and its contract strike and victory in 1998, members in the newly affiliated Southern New England Telephone union in Hartford, Connecticut, have played a particularly important role in organizing a large American Airlines reservation center there.

**Software Professionals: Washtech, Microsoft, and Amazon.com**<sup>7</sup>. In the case of contingent high-tech workers, the CWA has undertaken a very non-traditional approach to organizing—both in terms of appealing to the occupational identity of members and of using political and legal tools, rather than collective bargaining, as a vehicle for representing workers’ rights. In mid-1998, CWA affiliated WashTech, a non-profit statewide association of high-tech workers in the State of Washington. WashTech was established in the spring of 1998 to protest before the State Department of Labor and Industries the attempts of software companies (including Microsoft) to exempt some temporary workers from overtime. Subsequently, the organization focused more generally on Microsoft’s treatment of temporaries and contractors as “second class citizens.” They are known as “permatemps,” who are employed on an ongoing basis but who are ineligible to receive the benefits of full-time employees, especially Microsoft’s Employee Stock-Purchase Plan (ESPP). The stock plan allows Microsoft employees to purchase stock every six months at a 15 percent discount off the stock market’s price. Currently, Microsoft employs roughly 6,500 employees through temporary agencies along with 31,000 full-time Microsoft employees worldwide.

The association’s founder, Marcus Courtney, was one of the Microsoft test engineers employed as an agency temp on an ongoing basis. The organization’s more broadly-stated goals are to provide a voice for high-tech workers in policy decisions; to ensure basic workplace rights including sick pay, holiday pay, and decent medical coverage for “temps,” independent contractors, and regular employees; to educate workers about their legal rights to organize; and to help members improve their skills and keep pace with change through low-cost training and

---

<sup>7</sup> The Microsoft case draws on the field and archival research of Danielle van Jaarsveld and on WashTech’s website ([www.washtech.com](http://www.washtech.com)).

classes. The several-hundred-member organization is currently exploring the possibility of setting up a cooperative worker-owned employment agency to compete with for-profit agencies.

While CWA provides resources, some staffing, and technical assistance to support WashTech, the CWA affiliation is very much in the background. WashTech members and staff, in the meantime, have pursued legal, political, and legislative remedies to represent the interests of high tech workers throughout the state. A major focus of the organization has been a class-action lawsuit against Microsoft (*Vizcaino vs. Microsoft*), filed on behalf of eight Microsoft independent contractors and agency employees. The case alleged that Microsoft's independent contractors and temporary agency workers were, in fact, common law employees, entitled to the same benefits as regular full-time employees.

The organization points to several instances of success, the most important of which is the Vizcaino lawsuit. On July 7, 1998, a U.S. District Court in Seattle agreed with the plaintiffs, but Microsoft appealed the decision. Then, on May 13, 1999, the 9<sup>th</sup> Circuit Court of Appeals in San Francisco found in favor of the plaintiffs, ruling that at least 10,000 former temporary workers since 1986 should have been able to participate in Microsoft's ESPP and that the plaintiffs must be compensated for the appreciation of shares they never received. An industry analyst estimated that the cost to Microsoft could reach \$15 to \$20 million (AP, May 13, 1999). In another continuing case, a U.S. District Court in Seattle is considering whether Microsoft must give the same 401(k) benefits to temporary employees as it does to its regular employees. In addition, there is some evidence that Microsoft may end its use of permatemps. In an internal Microsoft memo leaked by WashTech members to the news media, Microsoft instructed managers to end their reliance on temporaries working on Windows 2000 (*Seattle Times, Tacoma New Tribune*). Also, in April, 1999, WashTech won its first legislative victory when the State Senate passed the Contingent Workforce Study Bill, which would create a task force to study the issues faced by Washington's growing contingent workforce.

**Hiring Hall Models: Employment Centers and the Cisco Contract**<sup>8</sup> Another way in which the CWA has attempted to respond to subcontracting and flexible labor arrangements is to become "the supplier of labor." At the most elementary level, this strategy includes the establishment of local "employment centers" to match union workers or retirees with employers for short-term contracts. The union has experimented with a variety of these employment

---

<sup>8</sup> Sources for this section include Batt interviews with CWA staff, the CWA website, and the Cisco website.

centers—some more successful than others. At its more developed level, the model includes the provision of screening, training, and job placement so that the union serves as a full-fledged non-profit temporary employment agency. It falls short of the hiring hall concept found in the building trades, because the CWA does not have the right to hire; however, it does set standards by negotiating contracts with employers who use the service.

The CWA experimented unsuccessfully with apprenticeship programs in the 1980s. With ongoing downsizing from the mid-1980s on, however, the union revisited the idea, and, in 1992, the CWA Executive Board approved two pilot employment centers, one in Los Angeles and one in Cleveland. At its height, approximately 250 workers were finding employment through the two centers. The major problem encountered by the CWA involved skills mismatches. While thousands of laid-off technicians were looking for jobs, they all varied dramatically in their skill sets, even when they had carried the same title of “cable splicer.” The skill sets of workers were employer-specific and geographically-specific. Lacking occupational certification or industry standards, there were frequent mismatches between what employers asked for and what skills workers supplied.

This experience led the union to realize it needed to integrate training and skills certification into the employment center concept. Two experiments in the mid-1990s accomplished this goal. In 1995, the CWA bargained with US West to establish an apprenticeship program, which eventually grew to include 240 apprentices in six centers in the region. In a second pilot with Lucent Technologies in 1996, the company sought to rehire retirees. The union negotiated a collective bargaining contract with Tucker Technologies, a for-profit temp agency that specializes in supplying technical staff to the industry, including computer programmers. As of 1999, Tucker was supplying about 80 retirees to Lucent.

In another development in 1995, the Veterans Affairs Administration of the federal government approached the CWA to help screen and place veterans in the telecommunications industry as part of its “Military to Work” program. Given their training in electronics, veterans historically have found jobs in the telecommunications industry. The “Military to Work” program helps place over 20,000 vets with telecommunications and computer networking experience who leave the military each year. The CWA has used this opportunity to further develop its role as a non-profit employment agency. With a grant of \$135,000, in November of 1997 the union developed a process for screening candidates for electronics-related jobs. It also

recruited several employers through focus groups that helped companies to buy into the idea. By 1999, Bell Atlantic, BellSouth, US West, AT&T, and Lucent were using the CWA service to screen potential recruits in electronics-related jobs. Through a new grant, the union has received government funding to perfect an assessment tool as well, to help recruits assess their current skills and identify needs for further training.

The most recent evolution of the CWA's role as employment agency and trainer came in September, 1998, when it began working with Cisco Systems to provide training on the high-tech company's equipment. The union had worked with Cisco in the telecommunications voluntary industry group for the National Skills Standards Board (NSSB). Both were frustrated at the slow pace of developing industry standards.

Roughly 80 percent of Internet traffic travels over Cisco's equipment. Cisco had developed a very effective training and certification program for "Internet working side" skills, because it realized that the market for its equipment depended in part on the availability of a skilled workforce to install and maintain that equipment (Bazeley 1998). Beginning in 1997, it has visited over 1,100 high schools to promote a four-semester course in basic computer skills (see Cisco Networking Academy, [www.cisco.com](http://www.cisco.com)).

The joint effort between the CWA and Cisco builds on CWA's "Military to Work" program and Cisco's training program. The pilot program, launched in the fall of 1999, provides distance learning and lab-based training through Arizona State University and Aries Technologies in the areas of Computer Support Technology and Data Network Technology. Veterans will use a jointly developed online skills assessment testing to find jobs at major telecom and high-tech companies. Those veterans who do not initially qualify will be referred to appropriate training sources, such as the CWA pre-apprenticeship program or the Cisco Academy Certification program. Cisco has also licensed the CWA as a "regional academy" for training and certification on its equipment. Despite the fact that Cisco is a non-union company, it appreciates the CWA's focus on skills certification and training, as well as its work with the government and the military. The union launched three regional training centers in the fall of 1999 in Washington, D.C., Cleveland, Ohio, and Fremont, California.

The CWA plans to take a two-pronged approach: first, to retrain the thousands of incumbent voice-trained technicians who need to be retrained in Internet working skills; and second, to train new recruits. The certification consists of 280 hours of training delivered

through a computer linked back to Cisco's training center in Phoenix. The CWA believes that by training to Cisco's standard—which has become the industry standard—it will circumvent the problems it had in the 1980s when there was no recognized industry standard and laid-off workers only had employer-recognized skills. In addition to Cisco's training program, the CWA is working with Cisco and a software development company to design a skills assessment system for the industry. The CWA has also developed a 130-hour certification program in A+—a level of skills required as a precondition to Cisco's training. The union, therefore, has learned a great deal through its experiments with employment centers and the hiring hall model over the last two decades. The model it is now pursuing is that of a full service employment agency model in which it screens, assess skills, trains, and matches workers to jobs.

## Political and Regulatory Involvement

Like other progressive unions, the CWA carries out a range of political activities including providing financial support to electoral candidates (mostly Democrats), engaging in legislative lobbying, and encouraging union members to vote in favor of particular issues or candidates.<sup>9</sup> Furthermore, like other unions, in recent years the union's political actions have intensified and often been coordinated with the more aggressive political agenda pursued at the AFL-CIO after John Sweeney became president of the federation in 1996.

Our analysis focuses on how the CWA has been involved in regulatory issues at the national and state levels rather than the “traditional” political agenda. This focus is important because it is in the regulatory arena—which is so critical, given the role played by regulations as a factor influencing the restructuring of the information services industry in recent years—that the CWA has been so active and distinctive.

### National Regulatory Activities

Federal legislation, such as the Telecommunications Act of 1996, and administrative decisions issued by the FCC and the Department of Justice (DOJ) in the 1990s, have guided the restructuring of the information services sector. The Telecommunications Act, for example, provides guidelines regarding the terms under which long distance carriers can enter local telephone markets and, symmetrically, the terms under which the RBOCs will be allowed to provide long-distance services. The FCC has jurisdiction over the administration of that Act, while the Justice Department is a central actor in the determination of which, among the many recently proposed mergers across telephone carriers, it will support, as well as with what conditions. The CWA's membership is greatly affected by these federal-level actions, particularly due to the employment consequences that follow from corporate restructuring and relative corporate success. In particular, the CWA has a strong interest in trying to promote the growth of the RBOCs, since the union has substantially heavier representation among the RBOCs, as compared to the other types of information service providers.

---

<sup>9</sup> For example, like other unions, the CWA opposed NAFTA and lobbied hard for its defeat (unsuccessfully) and joined the union coalition that successfully blocked fast-track extension, post-NAFTA.

In line with its interests in protecting and expanding the employment security of its membership, the CWA has tried to encourage legislation and administrative rulings that favor the RBOCs. The CWA's national-level regulatory activities include filings with the FCC, lobbying in favor of particular drafts of the Telecommunications Act of 1996 (and opposition to others), and other informal lobbying efforts.<sup>10</sup> For example, the CWA has argued that the FCC and DOJ should allow mergers among the RBOCs in order to enable these merged partners to compete against the other large global corporations that have emerged in the information services sector, such as WorldCom-MCI, AT&T, and various international carriers.<sup>11</sup>

The CWA supports mergers between RBOCs in part due to the union's belief that RBOC mergers, such as the SBC-PacTel merger in 1997, lead to employment growth. For example, the union believes that 4,500 jobs were created in the two years following the SBC-PacTel merger; and in its filing before the FCC for the SBC-Ameritech merger, SBC detailed investment plans that would create 8,000 new jobs (CWA, October 15, 1998; CWA, May 6, 1999).<sup>12</sup>

The CWA, in contrast, opposes mergers between long-distance companies. The CWA opposed the merger of WorldCom and MCI, for example, on grounds that the merged company would hold monopoly power in the Internet backbone market (CWA 1998 WorldCom-MCI report). The CWA also claims that mergers involving long-distance carriers, such as the WorldCom-MCI and Alltel-Alliant mergers and earlier mergers involving AT&T and various companies, lead to layoffs (CWA, Feb. 1999:4 and CWA, March 12, 1999). After the WorldCom-MCI merger was approved, the union claimed that 3,500 jobs were eliminated. (CWA, October 15, 1998; November 23, 1998; December 14, 1998).

Notably, in its filings before the FCC, the union has routinely focused on the outcomes for both consumers and employees. In the Alltel-Alliant case, for example, the CWA argued that Alltel's record of customer service was last among the twelve largest local carriers, according to the 1998 J.D. Powers customer satisfaction survey. Yet, in its filings, the company argued that the merger would save money by reducing redundant costs in customer service and sales (CWA,

---

<sup>10</sup> Among other things, Bahr 1998 provides examples of informal lobbying that benefited from his close personal relationship with Vice President Al Gore.

<sup>11</sup> See CWA, February 1999, "Telecommunications Merger Policy: The Double Standard Hurts Workers and Consumers."

<sup>12</sup> In the CWA's statement before the FCC supporting the SBC-Ameritech merger, the union noted: "This merger also is important because it will enable SBC and Ameritech to compete on a more level playing field with such

March 12, 1999). In the RBOC cases, by contrast, the CWA has noted that the companies have provided detailed plans for investments to improve the network and availability of services for residential and business customers, as well as to create new jobs.

As the above example illustrates, while the union is strongly influenced by its desire to protect, and possibly expand, unionized employment at the RBOCs, the union also offered its support because the effort was in line with the CWA's long-standing support for universal service. And while it is possible to rationalize the CWA's support for universal service solely on grounds that it may defend unionized employment at the RBOCs, such support appears to run deeper. It can be seen as a continuation of the union's defense of the public interests at stake in the telecommunications sector, a role the union developed over the postwar years given the public utility nature of telephone service provision in the Bell System. The CWA, like other public interest groups, has long argued that regulatory oversight of the telecommunications industry should strive to ensure that citizen interests are served rather than allow corporate service providers to focus their attention on serving the needs of corporate clients and others based on those corporate customers' greater ability to pay.

The universal service issue became an international one when the information services industry became more global in the 1990s, in part due to the rise of mega-global (MNC) information service companies and the participation by these MNCs in the information service infrastructure of countries around the world. This MNC participation often involves either the outright purchase of a national (often former monopoly) telephone service company or a merger between a MNC, or group of MNCs, and a former national provider.

In the international arena—as in other arenas, as pointed out elsewhere in this paper—the CWA uses its influence to link issues across strategic dimensions. One example is the support the CWA provided for SBC's bid to participate in the South African telephone industry. After gaining representation election card check provisions and other favorable agreements that would help the union's organizing efforts at SBC in the United States, the president of the CWA, Morty Bahr, subsequently supported SBC's efforts to gain entry to South Africa's telephone market.<sup>13</sup>

---

global carriers as AT&T and MCI-WorldCom and ensure that these companies have the resources to maintain and upgrade services, especially for residential and small business customers" (CWA, May 6, 1999).

<sup>13</sup> Bahr was one of only two union representatives included in a G-7 meeting held in Johannesburg, South Africa, to discuss international telecommunications policy issues.

Bahr didn't perceive that his union or its membership would greatly benefit directly by SBC's business activities in South Africa. Rather, support for this SBC international business endeavor was viewed as a way to assist a company that was pursuing a cooperative relationship with the union. Furthermore, the CWA leadership hoped that support for SBC's international business activities might bring benefits in future collective bargaining negotiations with the company in the United States (Bahr interview, May 1999 and Bahr 1998).<sup>14</sup> In keeping with the CWA's concern for universal service, its support for SBC was contingent on the company's commitment to make sizeable investments in basic telephone service provision, rather than focusing exclusively on selling high-priced information services to corporate clients in South Africa.

### **State Regulatory Involvement**

In the years following World War II, the structure and operation of the old Bell telephone system was influenced heavily by state regulations. For example, state "public service commissions" (PSCs)<sup>15</sup> both approved rate increases and more generally governed the rate of return regulations that affected the state telephone companies, which were eventually merged to create the RBOCs when AT&T was divested in 1983. The CWA had long played an active role at the state level, often as a lobbyist in cases before the various PSCs.

Interestingly—in contrast to what was to follow in the 1990s—over the postwar period and until the divestiture of AT&T, the CWA typically supported rate increase requests made by state telephone companies to various PSCs. The union supported these rate increases because its interests lied in seeing the state telephone companies grow and prosper, given the expectation that such corporate growth would lead to unionized employment security and growth. This link between state telephone company prosperity and unionized employment growth was supported by two conditions. First, the CWA (and the IBEW) had near-complete representation of the union-eligible employees in these companies (Batt and Keefe 1997). Second, the cost-plus type of regulations that existed at the state level gave the state telephone companies little incentive to pursue a cost reduction strategy in order to expand profits. If profits were to increase, given the

---

<sup>14</sup> The CWA also was able to convince SBC to create a new distance learning program to educate the telephone workforce in South Africa. This was prompted in part after Bahr learned that roughly 30 percent of the telephone workforce was illiterate (Bahr interview, with Rose Batt, May 1999).

<sup>15</sup> In some states, these commissions are called "public utility commissions."

nature of cost-plus regulations, the companies could not maintain those higher profits. These incentives changed when state PSCs replaced cost-plus regulations with incentive-based regulations (pricing and service regulations) that allowed the RBOCs to retain the higher profits they might earn from cost reductions. Correspondingly, the nature of the CWA's regulatory involvement at the state level changed.

Below, we trace developments in New York State, which are both important in their own right and illustrative of what has transpired in other states. As this account shows, the CWA has been quite active and strategic in New York's regulatory affairs. Furthermore, the CWA's regulatory activities have often been linked to its activities in other strategic dimensions. The account also indicates how intra-organizational political issues—specifically, the regional union staff's need to respond to the concerns of local union leadership—contributed to the union's efforts to link activities across strategic dimensions.

### **New York State Regulatory Developments**

As in other states during the postwar period, the CWA regularly supported rate increase requests—and many other requests—made by NYNEX to the New York State PSC. When the PSC delayed or lowered rate increases, the union thought that its members suffered by reducing the resources and employment opportunities at NYNEX. In the words of one CWA official, “We used to think of the PSC in New York as the enemy.”<sup>16</sup> The CWA's attitude changed dramatically in 1989 in the midst of the strike it was carrying out against NYNEX.<sup>17</sup>

On a separate front, during the strike NYNEX had proposed to the PSC that it be allowed to raise rates and that the earnings limitation provided under previous regulation be replaced by incentive-based regulations. The CWA's research staff calculated that, without those regulatory changes, NYNEX could hold out for 2.5 months in the strike before suffering severe economic losses. However, if the PSC granted the company's rate increase request, the union calculated that NYNEX would earn an additional \$300 million in revenue and be able to weather the strike for a much longer period.<sup>18</sup>

---

<sup>16</sup> Harry C. Katz interview with CWA New York State official, April 1999.

<sup>17</sup> This strike is described in greater detail in Katz and Kochan (1992). The central issue of dispute in the strike was the company's demand to require workers to introduce employee co-payment of their medical insurance.

<sup>18</sup> Harry C. Katz interview with Ken Peres, April 27, 1999.

The CWA regional leadership used these calculations to convince local union leaders to support an aggressive campaign opposing NYNEX's proposals before the PSC. The local leadership agreed, and an opposition campaign was launched involving citizen signatures, ads in newspapers, and filings before the New York State PSC.<sup>19</sup>

The state-level staff of the CWA had long wanted to become more active in state regulatory issues and to oppose NYNEX's requests before the PSC. Yet, they had hesitated, given the difficulties they faced in convincing local union leaders that this effort was a useful way to use union financial resources and that it served union members' interests to end the traditional support of NYNEX's requests to the PSC.

Thus, in the midst of the strike, the CWA forged a link between two strategic dimensions—its collective bargaining activities associated with the strike and its regulatory activities—for two reasons. First, it aggressively resisted NYNEX's PSC requests, believing this policy would strengthen its strike leverage at a moment when the CWA was searching for ways to counteract the company's ability to sustain service during the strike. The union needed additional power levers to counter the company's deployment of supervisors to the front lines and the intensive use of technology that allowed the postponement of infrastructure maintenance. Second, this linkage was needed for intra-organizational reasons. It was essential for state-level union staff to help local union leaders understand there were direct gains to be had in collective bargaining—in this case in a strike—in order to gain those leaders' support for regulatory activities.

In its opposition to NYNEX's proposals, the CWA joined forces with a variety of citizen action groups and a number of county and city governments that also opposed NYNEX's request for a rate increase and other regulatory changes. This political coalition continued during the strike's aftermath, when the CWA lobbied the PSC to oppose the "CRISP" agreement NYNEX had negotiated with the PSC. CRISP would have shifted to incentive-based rate regulation and effectively removed the profit limitations that had existed under the previous regulatory regime. The CWA's opposition to CRISP at this moment was also linked to the union's efforts to get

---

<sup>19</sup> The CWA later did support a form of incentive rate regulation (in 1995). However, the union's support for this regulatory change was contingent on the adoption of various service quality targets and penalties if those targets were not met. These conditions proved to be important when, due to poor service, NYNEX was forced to pay \$73 million in penalties. This penalization led NYNEX to hire additional customer service and technical staff, to the union's delight, in the late 1990s.

NYNEX to reinstate the 91 union activists involved in the 1989 strike whom NYNEX was then threatening to terminate. Here again the state-level staff of the CWA used a concrete collective bargaining issue (in this case, striker reinstatement) to help convince skeptical local union leaders that the union's state-level regulatory activities were worthwhile.<sup>20</sup>

Another example of linkages across strategic dimensions is the events surrounding the merger between NYNEX and Bell Atlantic in 1998. The CWA agreed to support the merger in filings it made to the New York State PSC, the federal Department of Justice, and the FCC, after the union had won a number of critical collective bargaining and organizing concessions from Bell Atlantic. In a formal Memorandum of Agreement with the CWA, Bell Atlantic agreed to extend representation election neutrality and card check recognition across the new company and to any future subsidiaries of the new company.<sup>21</sup> Bell Atlantic also agreed to the following: no layoff or downgrade guarantees; elimination of the contracting-out of certain types of work; limitations on future movements of work or business operations; and, in other ways, guarantees that various types of work would be performed by CWA-represented employees<sup>22</sup> (CWA-Bell Atlantic, August 11, 1998). Here, the CWA used the threat of its potential opposition to the merger to make substantial organizing and collective bargaining gains.

It is very likely that similar linkages will be forged involving regulatory, organizing, and collective bargaining issues in the future. These linkages are likely because of the number of mergers occurring that involve information service companies, in addition to the fact that the CWA and other unions in the information services sector exert significant influence at regulatory forums, be they at the international, U.S. state, or U.S. federal levels.

---

<sup>20</sup> Ken Peres believes that, without the 91-striker reinstatement issue, the state CWA staff may have been unable to convince local union leaders that it was worthwhile to continue to oppose CRISP and pursue the union's related state-level regulatory agenda (Harry C. Katz interview with Peres on April 27, 1999).

<sup>21</sup> The card check procedures were not extended to the cellular division of Bell Atlantic.

<sup>22</sup> See "Memorandum of Agreement" and "Agreement Concerning Issues Related to the Bell Atlantic-NYNEX Merger," CWA-Bell Atlantic, August 11, 1998.

## Collective Bargaining

In the collective bargaining arena, the CWA has aggressively addressed issues concerning the structure of bargaining, wage gains, employment security, and organizing rights. We review activities in each area below; along the way, we also discuss how the union's collective bargaining activities closely interacted with the union's regulatory and organizing agenda.

### **Strategy and Structure: CWA Founded to Achieve National Bargaining with AT&T**

In 1947, the CWA, as the successor to the National Federation of Telephone Workers, was founded to achieve national bargaining with AT&T. However, national bargaining between AT&T and the CWA would not be achieved until 1973. In the intervening period, AT&T was committed to local bargaining to preserve state regulation as the most appropriate method for determining costs, profits, and prices for each Bell Company. Nevertheless, disruptive and politically damaging strikes in the mid-1950s caused AT&T to initiate a secret pattern bargaining framework that used the national CWA's centralized control over collective bargaining to constrain local militants and preserve labor peace. The secret pattern system eventually unraveled with a four-month IBEW strike in Chicago in 1968 and a seven-month CWA strike in New York in 1971. The secret pattern system had yielded major gains for the union. In 1968, the community wage plan was replaced with six national wage zones that permitted no company to have more than four wage zones within its territory. In 1971, the CWA achieved agency shop and COLA clauses across all AT&T subsidiaries.

As AT&T refocused its strategy to preserve the Bell System against an increasingly hostile and contradictory FCC and the growing efforts by would-be competitors to enter the monopoly markets that subsidized local service rates, the company agreed to national bargaining to preserve labor peace and to unify its coalition against deregulation and divestiture. Between 1974 and 1983, four contracts were bargained in the national structure. These contracts greatly improved the standard of living of Bell System employees, particularly those in traditionally female job titles. The two unions, the CWA and IBEW, would be among AT&T's most loyal allies in its fight to preserve the Bell System.

The AT&T divestiture was announced on January 10, 1982, and became effective January 1, 1984. In 1983, the seven Regional Bell Operating Companies took shape inside the parent company; their management participated in 1983 collective bargaining. The future of the structure of collective bargaining became the most contentious issue in the 1983 bargaining session. It was the central issue in the first two weeks of a three-week strike in 1983 involving over 600,000 telephone workers. The CWA wanted a continuation of national bargaining. Both the incipient US West and Ameritech companies insisted on a return to local bargaining, and Bell Atlantic sought to escape AT&T bargaining leadership. No agreement on the future bargaining structure was reached in 1983.

Prior to divestiture, AT&T and its Bell Operating Companies bargained at two levels. At the first level, called “national bargaining,” Bell System-wide agreements were reached on wages, benefits, and employment security. As a result, a telephone technician working in New York City received the same wage increases whether he or she worked for the local operating company, New York Telephone, or AT&T. The cents-per-hour component of the cost of living escalator tended to compress the wage structure throughout the Bell System (Keefe 1989) and to accelerate the rate of wage increases for lower-paid jobs, traditionally held by women. In a similar manner, vacations, pension benefits, health care coverage, and insurance benefits became more standardized across the System, regardless of the employing Bell Operating Company. This standardization aided human resource planning and forced adjustments by facilitating personnel movement among the companies.

At the second level of bargaining, “local” bargaining, individual Bell Operating Companies bargained with local union leadership over work administration and work rules. Local bargaining issues included overtime policy, posting of schedules, steps in the grievance process, health and safety, and absence pay. Local bargainers, however, could not address issues that were on the national bargaining table.

The restructuring of collective bargaining relations evolved after divestiture, since no agreement was reached in 1983. Shortly after divestiture, AT&T sought to remove itself from the common expiration dates established in telephone bargaining. As a result, AT&T thought no cross-company comparisons would be made, and the pressure to conform to a potentially more expensive RBOC pattern would be lessened. In 1985, AT&T and its two unions met under the auspices of the bargained-for Common Interest Forum, and discussions were opened to bargain

off-cycle. Those negotiations stalled, in part because of the change in leadership at the CWA. President Glenn Watts was retiring; his successor, Morton Bahr, was not officially in place as president. AT&T and its unions, however, were later able to renegotiate the termination date of its 1983 contract from August 9 to May 31, 1986. This removed AT&T from the contract termination deadline of August 9, 1986, faced by the RBOCs. Thus, setting the stage for AT&T to become a pattern leader.

Since the core business of the RBOCs had remained relatively unchanged, the expectations about bargaining were similarly unchanged. When the CWA national bargaining structure proposal was rejected in 1983, the union pressed for continuance of the two-tier structure, with the first tier at the RBOC level and local bargaining remaining at the operating company level. Eventually, all the RBOCs would opt for this two-tier structure; Ameritech would be the last, accepting this structure in 1995. While bargaining has taken place in this new structure since 1986, BellSouth, US West, and NYNEX expanded the scope of regional bargaining subjects as the RBOCs standardized procedures across the local companies to improve operating efficiency and, thereby, either eliminated or greatly restricted the role of local bargaining.

With the restructuring of the RBOCs away from regulated state organizations (due to the advent of incentive regulation and their move toward market oriented businesses), pressures mounted to change local bargaining structures. The state organizations of the former Bell Operating Companies have diminished in importance as they reorganized along their lines of business. We anticipate this will create a demand to change the local bargaining structures at the RBOCs, shifting local negotiations away from state-based Bell Operating Companies to the lines of business divisions. US West and CWA developed a separate agreement for its customer service division, Home and Personal Services Division, in 1992. AT&T's Workplace of the Future represents an interim step in a similar process, in which CWA and IBEW representatives meet with business unit executives in business unit planning councils to discuss workplace programs. The unions have also agreed to meet with AT&T in 1994 to discuss the appropriate bargaining structure for the future negotiations. However, while local structures may change, we believe that economic issues will remain relatively centralized in regional bargaining for the RBOCs and in national bargaining for AT&T.

A summary of the CWA’s post-divestiture bargaining outcomes from 1986 to 1998 is included in Table 5. The core issues in the loose pattern bargaining structure led by AT&T have been compensation (Table 6), health care, employment security, and union institution security including the right to organize at new subsidiaries.

**Table 5**  
**CWA’s Post-Divestiture Employment Security Bargaining Outcomes: Employment Guarantees, Transfer and Recall Rights, Career Support, and Income Protection**

	1986	1989	1992	1995	1998
AT&T	Job Information Center; “Alliance” created; Income protection enhancement	Automated transfer system-displaced priority; Income protection enhanced	Access to non-union subsidiaries for transfer; Income protection enhanced	No Change	No Change
Ameritech	No Change	Relocation allowance; increased medical benefits of laid off employees; Expanded early retirement	Priority placements for displaced; Income protection enhanced	Hometown jobs: Employment guarantees within market area	Hometown jobs: employment guarantees within market area; Seniority strengthened
Bell Atlantic	Job information center for displaced employees	Employee career resource centers; Income protection enhanced	Income protection enhanced	Job security for some occupations	No layoffs, downgrades, or forced transfers; 3,000 temps made permanent
BellSouth	Career continuation program	Employment security partnership	Joint committee on subcontracting; Improved early retirement Income	Increased mobility rights extended bargaining unit	Increased mobility rights extended; Bargaining unit commitment to 600 techs; limits on temps and term employees
NYNEX-Bell Atlantic North	Priority Placement For Displaced. Income Protection Program Enhanced	Incentives for Early Retirement	Incentives for Early Retirement	No Layoff - Broad Transfer rights. Add 5 years to service and seniority for pension eligibility	No layoffs, downgrades, or forced transfers; 3,000 temps made permanent Extension of the Buyout Deadline to 2000

	<b>1986</b>	<b>1989</b>	<b>1992</b>	<b>1995</b>	<b>1998</b>
Pacific Telesis	No layoff agreement	No layoff agreement; Transfer & relocation assistance improved	No layoff agreement; Automated transfer system; Early retirement severance increased	Improved work force movement; Improved income protection & separation benefits	Hire 500 Outside Techs
Southwest Bell	Career resource center; Notice increased to 90 days. Incentives for voluntary separation	No layoff agreement; Early retirement income improved	Voluntary severance expanded	Home town jobs: find jobs in market area	Home town jobs: find jobs in market area
US West		Upgrade and transfer Plan. Enhancements for voluntary separation	Joint Committee on Skill Needs; Enhancements for voluntary separation	Transfer to mobile; Hiring hall for techs	No Change

**Table 6**  
**Post-Divestiture Wage Bargaining Outcomes: Percent Increase in Base Wages\***

<b>Company</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>Avg.</b>
AT&T	2.0	3.0	3.0	4.0	2.5	2.5	4.0	3.9	3.9	3.6	3.5	3.4	3.75	3.75	3.8	3.4
Ameritech	2.0	2.0	2.0	2.0	2.5	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.0
Bell Atlantic	2.0	3.0	3.0	3.0	2.3	2.3	4.0	3.7	4.0	3.5	4.0	3.5	3.8	4.0	Bar-gain	3.3
Bell South	2.0	1.5	1.5	4.0	1.0	1.0	4.0	1.7	1.7	3.6	3.5	3.4	3.6	4.1	4.1	2.7
NYNEX	2.5	1.0	1.0	3.0	1.5	1.5	4.0	4.0	4.0	4.0	3.5	3.0	3.8	4.0	Bar-gain	3.0
Pacific Telesis	2.0	2.0	2.0	3.1	3.7	2.6	4.0	3.5	3.5	3.6	3.5	3.4	3.5	3.6	3.6	3.2
Southwest Bell	3.0	1.5	1.5	5	3.0	3.0	\$5-\$22	\$7-\$24	\$7-\$26	3.7	3.5	3.4	3.5	3.7	3.6	3.2
US West New Pattern Participants				5	2.5	2.5	5	3.0	3.0	3.6	3.5	3.5	3.9	3.5	3.5	3.5

Company	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Avg.
GTE Southwest													3.8	3.5	3.5	3.6
SNET													4.0	3.4	3.5	3.6
Average of 8	2.2	2.0	2.0	3.6	2.4	2.3	3.9	3.3	3.3	3.7	3.5	3.4	3.7	3.8	3.7	3.1

\* All numbers refer to percent increases over base, except where dollars (\$) are indicated.

In 1986, AT&T successfully persuaded the CWA to bargain early, using the threat of a massive downsizing to motivate the union. After a 23-day strike and an IBEW settlement, the CWA agreed to a contract that ended COLA payments without securing any substantial job security language. Each of the Regional Bells followed AT&T's lead, either through regional or local structures to eliminate or restrict the COLA clauses, as pay increases lagged behind inflation (Table 7). The COLA formulas would be increasingly replaced by contingent pay systems. The CWA would seek to make them add-ons that were based on corporate performance, while some companies would increasingly seek performance awards reaching into the workplace. US West has the most far-reaching performance pay system, where most service representatives work on commission, and in 1998 the company won individual performance-based pay for technicians. BellSouth is the other company that has shifted a larger proportion of compensation to performance-based pay, however, not at the individual level.

**Table 7**  
**Post Divestiture Bargaining: Contingent Pay & Cost of Living Allowance (COLA)**

Company	1986	1989	1992	1995	1998
AT&T	COLA eliminated	Profit sharing	Stock shares: \$3300	Stock shares \$2,400; \$1000 signing bonus	Shares for growth; Performance award - \$680; \$1000 signing bonus
Ameritech	COLA restricted	Profit sharing COLA eliminated	Profit sharing	Success sharing; \$500 signing bonus	Success sharing - \$300 to \$1500 in common stock; \$ 500 signing bonus

<b>Company</b>	<b>1986</b>	<b>1989</b>	<b>1992</b>	<b>1995</b>	<b>1998</b>
Bell Atlantic	\$300 signing bonus; COLA restricted	Profit sharing	Profit sharing	\$1500 signing bonus; COLA eliminated	Corporate profit sharing: Min \$400 in 1998 Min \$500 in 1999
BellSouth	Lump Sum bonus; COLA restricted	Team incentive bonus based on profit and quality	Team incentive bonus increased	Lump sums in cash or stock - \$2,200; COLA eliminated	Team incentive award; Average of 2% of Pay
BA-NYNEX	COLA restricted	None	None	Stock shares at \$1800; \$1100 signing bonus	\$700 if PSC objectives met; \$900 signing bonus
Pacific Telesis	Team award; COLA eliminated	Team award	Team award	Incentive plan	5% of pay team award; \$300 signing bonus
Southwest Bell	Team award \$600; signing bonus; COLA restricted	None	Profit sharing; COLA eliminated	Team performance: \$1400	Minimum \$375 based on stock appreciation; \$500 signing bonus
US West	COLA eliminated	Team award; \$600 signing bonus	None	Commission pay for Service Reps; \$1500 signing bonus	Performance pay extended to Technicians; \$500 signing bonus

In 1989, the focus shifted to health insurance, as the companies sought to replace traditional health insurance with Preferred Provider Plans. In 1983, the round of negotiations just prior to divestiture, AT&T had sought to restructure health benefits. Its objective was for employees to share some of the costs of providing health coverage. The nationwide strike occurred, in part, due to this issue. In 1986 negotiations, three companies—Ameritech, BellSouth, and Southwestern Bell—successfully negotiated Preferred Provider Organization Plans (PPO) or Managed Care Networks as their basic form of health insurance. These programs provide the companies with greater power in dealing with the health care industry, and they slow the rate of increase in health care costs. NYNEX had also proposed a PPO, which produced a ten-day strike. Bahr, the CWA’s president, intervened to settle the dispute. NYNEX served notice that the PPO would become part of its next agreement.

In 1989, the other five remaining former Bell Companies made similar PPO proposals that ran into considerable union opposition, including strikes at the four RBOCs. Of the five, only AT&T settled for Managed Care without a 1989 strike. By 1989, it was apparent that the RBOCs were financially healthy, making health care or any other concessions difficult to accept.

The unions at Bell Atlantic (one month), NYNEX (four months), Pacific Telesis (two weeks), and US West (one week) struck to defeat management's demand to replace traditional health insurance with managed care or PPOs. Management, with the exception of NYNEX, prevailed in these strikes. All former Bell Companies, again excepting NYNEX, now have a managed care framework as their basic health coverage.

The NYNEX strike in 1989 provided CWA the opportunity to develop and test several new tactics that would prove to be effective tools for pressuring management to change its proposals and relationship with the union. The CWA in District 1 (NYNEX) would link its political, lobbying, regulatory, member mobilization, public relations, and incipient competition from Teleport to defeat NYNEX in a seventeen-week strike. Since the 1950s, when automation of the network was completed with direct-dial long distance, strikes had become public protests since they imposed little or no economic cost on the employer. The seventeen-week strike would focus the public's attention on NYNEX—a company that was successfully portrayed with declining service quality and an indifferent attitude towards a significant segment of its residential customer base in poor areas—as it plowed profits into new business venture. Critical to the CWA's success in 1989 was its member mobilization campaign.

### **CWA Member Mobilization**

Mobilization is a coordinated campaign that relies on grassroots organizing and involves union members in one-on-one communication on important issues at the work site. Its basic aim is to involve all union members in actively representing their collective interest. The campaigns are designed to connect the “bonds of worker solidarity” through collective action. Mobilization tactics include petitions, one-on-one postcard messages, wearing common colors, expressing solidarity through rallies, arm bands, and workplace coordinated stand-ups, work-to-rule campaigns, organizing non-members, picket lines, electronic picket lines, community support activities, and strikes. Mobilization was initially developed in the public sector, where members do not have the right to strike.

The mobilization programs in telecommunications have steadily improved in their effectiveness since 1986 and have been particularly useful in bargaining since 1989. CWA member mobilization at NYNEX began shortly after the 1986 bargaining session. At issue was the preservation of traditional health insurance. In 1992, rather than strike, CWA continued to

bargain after the contract expirations at AT&T, Bell Atlantic, Pacific Telesis, and US West. The membership was mobilized to support the union's bargaining objectives. Electronic town meetings, conference calls, and taped telephone messages kept members involved and informed about bargaining progress. At AT&T the unions threatened an electronic picket line by getting all their supporters to pledge switching their long distance phone service to another carrier until a contract was signed. Increasingly, some CWA locals are demonstrating their mastery of information technologies in getting the union's story out to their members and to management. CWA is also developing its in-workplace strategies. The union believes that these tactics will grow in power as employers increasingly rely on a committed and involved workforce to provide superior customer service.

### **New CWA Linkages in 1995 Bargaining: Effective Public Relations as the Key to Victory**

In the 1995 bargaining session, mobilization again proved to be an effective tool to support the union's bargaining objectives. At Bell Atlantic, employees worked without a contract from August 7, 1995, until January 1996. An internal mobilization campaign was linked to an extremely professional and effective public relations and lobbying campaign to pressure Bell Atlantic to conform to the pattern settlement. The internal mobilization campaign gained national visibility, when over 1,000 Bell Atlantic of Pennsylvania employees were suspended for wearing tee-shirts proclaiming, "We Won't Be Road Kill on the Information Superhighway." The mobilization campaign was setting the stage for a highly contentious round of bargaining with Bell Atlantic, as the company was making clear that it intended to substantially depart from the AT&T lead pattern framework.

Between January and April of 1995, Bell Atlantic bargained a new five-year contract with IBEW Local 827, which represents around 8,000 network employees in New Jersey. The new agreement provided for five years of job security in return for a two-tier wage agreement, creating a new unionized subsidiary, Bell Atlantic Communications and Construction Systems Inc. (BACCSI). As described earlier in this paper, the new company would be allowed to perform traditional telephone installation and repair covering the inside protector, wire, and jacks, but the new workforce would top-out at 50 percent of the compensation earned by the incumbent workforce, with fewer rights. The IBEW obtained upgrades for all incumbent

installation and repair technicians to top craft titles. The BACCSI agreement set wages and benefits at or below non-union levels in the cable TV industry. In addition, the new contract required a 2 percent co-pay for retiree health insurance and provided only a 10 percent pension improvement and 8 percent wage increase over the first three years of the agreement. The CWA was outraged and horrified that Bell Atlantic would try to force an agreement in this manner, which many viewed as an attempt by Bell Atlantic to destabilize the bargaining structure of the entire industry. Nevertheless, CWA was able to achieve an AT&T lead pattern settlement that provided for 11 percent wage increases in three years, no retiree co-pay for health insurance, a 12 to 14 percent pension increase, and no two-tier settlement. The union then settled the remaining RBOC contracts in accordance with the pattern.

In preparation for the coming conflict with Bell Atlantic, the 1995 CWA National Convention passed a resolution, providing the leadership with access to the strike fund to conduct public relations campaigns in support of collective bargaining. A strike-centered public protest would be doomed to failure at Bell Atlantic, since the union was only able to maintain its picket lines for a little over three weeks in 1989 before accepting the company's proposal. Instead, the union would develop a strategy linking internal mobilization, the threat of a region-wide strike, a public relations campaign, a lobbying effort at the state Public Service Commissions on service quality, and a national-level initiative to postpone signing the Telecommunications Act into law.

Bell Atlantic's aggressive 1995 contract concession strategy would ultimately backfire, after six months of intense union-management hostility and negative publicity. Workers reported high levels of acrimony at work, and they particularly resented the unilaterally-imposed forced overtime policies, as well as the widespread use of subcontractors to perform traditional telephone work. After several well-placed leaks to the news media, the state PSCs investigated service quality during this period, found repeated violations of service standards, and ordered the company to hire an additional 500 customer service representatives, among other things. Most effective, however, was the CWA's coordinated public relations campaign that relied on newspaper, radio, and television ads depicting Bell Atlantic as heartless and not the "Heart of Communications" as the company's commercials claimed. In December of 1995, the CWA began to air on television an ad about Larry—a slob of a subcontractor who could be sent to your house instead of a trained Bell Atlantic technician. Rude and poorly trained Larry could destroy

your home. The humorous ad was an immediate success; customers who called for new installations or repairs repeatedly emphasized that they did not want Larry sent to their home. Radio and newspaper ads encouraged customers to check IDs to see if technicians were actual Bell Atlantic employees.

Shortly, after Larry appeared, negotiations resumed. They were now led by both Bell Atlantic Vice-chairman Jim Cullen and Larry Babio. Larry, the name of the central character in the ad, was chosen because the union believed Larry Babio, along with CEO Ray Smith, represented the major road-blocks to achieving a settlement. The contract eventually settled within the AT&T lead pattern, although CWA was forced to accept BACCSI throughout the region, except in Pennsylvania.

### **NYNEX Pays to Rein-in the Union's Tactics**

At NYNEX, the bitter 1989 strike led the company to rethink its labor relations strategy in an attempt to build a more positive bargaining relationship in the 1990s. In 1991, NYNEX hired James Dowdall as the vice-president of labor relations. During his many years with AT&T in labor relations, he had developed a good working relationship with Bahr, the president of CWA. Dowdall moved immediately to break the dynamics of mobilization and strike at NYNEX by extending the existing contract until 1995 and providing generous 4 percent annual wage increases.

In December 1993, NYNEX announced that it planned to downsize 22,800 employees. Early bargaining in the spring of 1994 resulted in the most far-reaching retraining, transfer, and employment security system in the industry. The 1994 contract provided a special retirement incentive that adds six years to both service and age; it also included a 30 percent social security supplement until age 62 or a \$500 annual bonus, whichever is greater. The incentive program was aimed at voluntarily eliminating 16,800 of 57,000 (or 30 percent) of the non-management jobs at NYNEX and was estimated to cost over \$2 billion, or \$77,000 per participating employee.

Other components of the agreement sought to create a future for the surviving workforce. NYNEX committed itself to a no-layoff clause where displacement is due to changes in organization, work process, or new technology. Layoffs are permitted only in response to volume reductions. A major innovation was the creation of the Next Step Program that offers

two-year associate's degree program in telecommunications technology, open to all technicians. Under this program, employees work four days each week and attend classes on the fifth day, on company time. All educational expenses are paid by the company. Upon graduation, employees receive a \$50 per week increase. NYNEX's strategy recognizes that it is a high labor cost supplier and offsets this cost disadvantage with a highly educated, flexible, and productive work force. In the first two years of the program, roughly 1,100 employees enrolled (Clifton 1995; personal communication, November 24, 1996).

In addition, all NYNEX employees with five years of service are eligible to take a two-year educational leave. They can receive \$10,000 per year for educational expenses while retaining full benefits, seniority, and a guaranteed job when they return. The contract also created a job bank and a new job sharing provision. Union workers are guaranteed access to all new NYNEX ventures in the information industry. New subsidiaries are required to start-up by offering union workers the opportunity to bid into the new jobs. In return for this generous employment security offer, CWA District 1 in New York surrendered its ability to fight the company legislatively or before the PSC and to cease its public relations campaign against NYNEX.

The massive downsizing announcements made by each of the Regional Bells in 1993 were based on a fundamentally incorrect forecast about the demand for access lines and the impact of deregulation on market share. By 1996, it became apparent that access line growth was accelerating partly due to demand for second and third lines for Internet access. Also, facilities-based competition in the local exchange market had been considerably more difficult to implement than it had been in the long distance market a decade earlier. The growth in service demand dramatically altered the bargaining environment. After a decade of bargaining to facilitate forced reduction for income protection plans, early retirement incentives, and retraining for new careers, the companies were confronted with a new problem: How would they retain their skilled employees? The union members also faced a growing problem of too much work and forced overtime.

In addition, the bargainers were changing as companies merged. SBC had acquired Pacific Telesis and SNET and had initiated the acquisition of Ameritech. Bell Atlantic merged with NYNEX and announced plans to merge with GTE. The Bell Atlantic merger would bring

together two companies at the opposite ends of relationships with CWA. On the other hand, AT&T would divest Lucent and NCR. This new environment set the stage for 1998 bargaining.

Instead of AT&T setting the pattern, an early settlement at SBC in 1998 would do so. Following SBC in the early round were Pacific Telesis and Ameritech. Both contracts provided for significant wage improvements and expansive union organizing rights, including neutrality, workplace access, and card check. Each company also agreed to 32-month contracts that expire in April of 2001. AT&T followed with a four-year contract, and Lucent settled with a five-year deal after a one-hour strike. Early bargaining was also underway at Bell Atlantic. Bell Atlantic North (NYNEX) and Bell Atlantic South were bargaining separately with the CWA.

The 1994 NYNEX agreement provided that the company offer every eligible employee the pension enhancement prior to the contract expiration on August 7, 1998. While estimates ranged from 6,000 to 14,000 employees, there was little disagreement that if all eligible employees accepted the buyout, Bell Atlantic North would be unable to operate its network. The company sought to postpone the offer date for two years, which the union was willing to accept, provided there would be substantial pension enhancements and decent wage gains in the agreement.

By April 15, 1998, the two sides had hammered out an agreement; however, it would not be signed until an agreement in the South could be worked out. Bargaining in the South was stalled on two key issues for the union—subcontracting and organizing rights—which eventually resulted in a region-wide two-day strike on August 7, requiring CEO Ivan Siedenberg to intervene. Seidenberg quickly accepted the union demands on subcontracting, neutrality, and card check with one exception. Bell Atlantic Mobile would not be exempt from the organizing rights language. The Bell Atlantic-CWA relationship would be standardized on the newly formed relationship established at NYNEX. The CWA would also become an important ally in the fight to merge with GTE, while at the same time making progress to bring GTE into the newly emerging pattern.

CWA would conduct a two-week strike at US West to place limits on the amount of forced overtime, which was limited to 16 hours a week in 1999 and 8 hours per week in 2001. Both US West and BellSouth signed three-year agreements (see Table 8). SNET represented the first time that the Connecticut Telephone Workers Union bargained as a CWA affiliate. The

union conducted a one-month strike and won substantial wage and benefit improvements. It also signed a 32-month contract, bringing it into the SBC bargaining orbit.

**Table 8**  
**Contract Terms, 1998**

<b>Demise of Coordinated Contract:</b>	<b>1998</b>
<b><i>Company</i></b>	<b><i>Contract Term</i></b>
AT&T	4 years
Bell Atlantic (North & South)	2 years
Bell South	3 years
GTE Southwest	3 years
SBC(SWB, PacBell, Ameritech, SNET)	32 months
U S WEST	3 years
Lucent	5 years

The post-1998 bargaining structure represents a substantial departure from the last four rounds of bargaining under the loose pattern system lead by AT&T. The newly consolidated Bell Atlantic and SBC represent the strategic partners for CWA in shaping its role in the industry.

## Summary

This analysis shows that the CWA is pursuing a triangular strategy with a heavy overlap between the activities in the three key dimensions of organizing, regulatory involvement, and collective bargaining. Through overlapping activities the union has imaginatively sought to overcome the power imbalance it faces as a result of industrial and technological restructuring.

Although similar, detailed research is needed to analyze the activities of other unions, we suspect that, while other unions are also shifting to more activity overlap, the CWA carries out more of this linked activity than most other unions. The CWA's capacity for activity overlap springs from the complex agenda the union has longed pursued, given its quasi-public sector nature and the fact that technological advances have longed weakened traditional sources of union strength. The CWA drew from this legacy to expand activity interaction.

While our analysis leads us to question the existence of an organizing-service trade-off, representation numbers and election data show that organizing new members remains a major challenge for the CWA. It remains to be seen if the leverage gained through activity overlap will enable the CWA to expand its representation of the rapidly changing information services sector.

## References

- AP (The Associated Press). 1999. "Court Rules for Microsoft Workers." May 13.
- Barnard, Chester. 1938. *The Functions of the Executive*. Cambridge: Harvard University Press.
- Batt, Rosemary and Jeffrey Keefe. 1999. "Human Resource and Employment Practices in Telecommunications Services." In Peter Cappelli, ed., *Employment Practices and Business Strategy*. Oxford: Oxford University Press.
- Bazeley, Michael. 1998. "Networking Classes: Who benefits?" *Mercury News* December 13.
- Clifton 1995. Reference needed.**
- CWA (Communications Workers of America). 1996. "Customer Service Professionals: A Key Occupation in the Information Age." A report prepared for the USAir Customer Service Professionals by the Research Department, Passenger Service Employee Association, CWA, AFL-CIO. August.
- CWA (Communications Workers of America). 1998. "CWA to FCC: SBC-Ameritech Merger Will Foster Residential Competition and Create Good Jobs." Press Release. October 15.
- CWA (Communications Workers of America). 1998. "Bell Atlantic-GTE Partnership Will Expand Competition, Access and Service, CWA tells FCC." Press Release. November 23.
- CWA (Communications Workers of America). 1998. "CWA Tells FCC: Bell Atlantic-GTE, SBC-Ameritech Mergers Will Boost Competition and Benefit All Consumers." Press Release. December 14.
- CWA (Communications Workers of America). 1999. "Alltel's Takeover of Nebraska Phone Company Would Harm Consumers and Employees, CWA Tells FCC." Press Release. March 12.
- CWA (Communications Workers of America). 1999. "CWA Urges Prompt Approval of SBC-Ameritech Merger." Press Release. May 6.
- CWA (Communications Workers of America). 1999. "MCI WorldCom and Sprint Merger: Anti-Competitive Problems in Long Distance, Internet, International Markets; Employment Cuts; Service Quality Problems in Local Markets." Press Release. October 8.
- CWA News*. Various Issues.
- Daily Labor Report*. 1997. "Sprint Lawfully Shut Down Division During Union Campaign, Court Rules." November 26, No. 228, p.D-9.

- Daily Labor Report*. 1996. "NLRB Orders Sprint to Rehire 177 Workers at La Conexion Familiar." December 31, No. 250, p. D-5.
- Richard Hurd. 1998. "Contesting the Dinosaur Image: The Labor Movement's Search for a Future." *Labor Studies Journal* 22: 5-30.
- Katz, Harry C., and Thomas Kochan. 1999. *An Introduction to Collective Bargaining and Industrial Relations*. Boston: Irwin/McGraw-Hill, second edition.
- Keefe, Jeffrey. 1998. *Monopoly.com: Will the WorldCom-MCI Merger Tangle the Internet?* Washington, DC: Economic Policy Institute.
- Keefe, Jeffrey, and Karen Boroff. 1994. "Telecommunications Labor Management Relations After Divestiture." In Paula Voos, ed., *Contemporary Collective Bargaining in the Private Sector*. Madison, WI: Industrial Relations Research Association.
- Keefe, Jeffrey, and Rosemary Batt. 1997. "Restructuring Telecommunications Services in the United States." In Harry Katz, ed., *Telecommunications: Restructuring of Work and Employment Relations Worldwide*. Ithaca: Cornell University ILR Press.
- Midwest Center for Labor Research. 1991. "An Organizing Model of Unionism." *Labor Research Review* 10.
- Norwood, Stephen. 1990. *Labor's Flaming Youth: Telephone Operators and Worker Militancy, 1878-1923*. Urbana and Chicago: University of Illinois Press.
- Seattle Times*. 1999. "Microsoft Tells Managers: Cut Temp Reliance" September 2.
- Tacoma New Tribune*. 1999. "Many temps at Microsoft may become permanent." September 9.
- Washington Post*. 1998. "Two Power Unions Combine Clout." March 12.