

AT&T STRIKE UPDATE: NEGOTIATES WITH UNION, DELAYS POSSIBLE STRIKE



Nearly 40,000 AT&T workers were ready for a potential strike last Saturday, April 7th, when a number of their contracts expired. The company and the employees' union, the Communications Workers of America (CWA), successfully eluded the strike as both sides are still negotiating an agreement. The union had been authorized to call a strike when the contracts expired. Contracts for approximately 10,000 workers expired Saturday at midnight EST, with 13,000-15,000 employees in the Midwest and 18,000 employees in the western states also reaching the end of their contracts by midnight in their respective zones. The CWA stated that progress was being made by the initial wave of expired contracts but that negotiations were far from reaching a satisfactory conclusion. AT&T and the union have been discussing contractual terms since February of this year. The telephone company had planned on cutting employee benefits to reduce costs, but the CWA and workers have expressed discontent with the foreseen increase in healthcare, as well as fighting for fair employee pensions, wages and guaranteed weekends off. A spokesperson for the company said that negotiations are ongoing but offered no details on any part of a likely agreement. Another 30,000 workers in the company's wireline business will also see contracts expiring in the ensuing months. This year will see a total of 120,000 employees with contracts to expire. AT&T's rival, Verizon Communications, also faced a strike last August and still has not completed negotiations. The strike, called by CWA, included 35,000 employees at Verizon and Verizon Wireless and lasted for two weeks. Their contracts were extended to end the strike, but a new agreement has yet to be attained. AT&T contended with a significant strike back in 2004 when 100,000 of its employees walked out for four days. At the time, the company was SBC Communications, Inc., which would purchase AT&T Corp. the following year. It's a common practice for large businesses such as AT&T and Verizon to negotiate with unions, particularly ones that represent greater portions of the workforces. The Communications Workers of America, the International Brotherhood of Electrical Workers and other unions are currently representing nearly 55 percent of workers employed at AT&T. Both companies are also working to negotiate new contracts while profit margins are dropping and network investment costs are rising. The operating costs for AT&T last year rose nearly two percent to 126.7 billion dollars with capital expenditures – expenses designed to profit in the future – hitting an increase just above three percent at 20.1 billion dollars. "Unions are trying to maintain many things they've gained over the years, and it's hard," Ivan Smith, a partner at Lewis Brisbois Bisgaard & Smith LLP, was quoted as saying in an article on Bloomberg.com. "In general, the strike is the last thing a union wants. If the employer can withstand a strike, you lose all the leverage you had. You don't make that move unless there's no other recourse."

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