

Collective bargaining in 1990: search for solutions continues

Finding solutions to industrial relations problems continued to challenge employers and unions as their interests collided in areas such as health care, wages, pensions, and job and income security

Michael Cimini

The institution of collective bargaining was severely tested in 1990, as several industries that have been buffeted in recent years by foreign competition, deregulation, technological changes, or intense interindustry or intraindustry competition, experienced significant bargaining activity. Several of these industries also were adversely affected by a sluggish economy, and some experienced significant job losses during the year. Bargaining talks in two of these industries required the intervention of the top echelon of the Federal Government: the President established an emergency board for the national railroad negotiations, and the Secretary of Labor appointed a supermediator (and a special commission) for the Pittston Coal Co.–United Mine Workers work stoppage.

Several other bargaining situations also outstretched the ability of negotiators to reach peaceful settlements without disruptions. In the Eastern Airlines–Machinists work stoppage, the Congress passed legislation establishing a special commission to investigate the labor dispute, but its effort was rejected by a presidential veto. In addition, two other contract talks led to protracted labor disputes—the baseball strike during the spring and the Greyhound bus strike for much of the year.

In two bargaining situations where negotiations were expected to be acrimonious, settlements were reached without a serious threat of a work stoppage. In the first, the United Parcel Service–Teamsters master contract negotiations, the rank-and-file broke with their union leadership and approved a tentative contract that the union leaders had recommended be rejected. In the second case, the United Automobile Workers con-

tract talks with the “Big Three” automakers, the parties quickly and successfully resolved the thorny problems of job and income security in a way that may indicate the dawn of more mature and cooperative labor-management relationships in the industry.

Health care costs, as in past years, were the most contentious bargaining issue in 1990. In many negotiations, unions traded off higher wage increases to avoid health care benefit cuts or the shifting of health care insurance costs to their members. Other major bargaining issues were wages, job security, pensions, and safety and health matters. Although of increasing importance in the last few years, family issues, such as child care, parental care, and flexible work schedules, were not usually the major issues in dispute in 1990.

One indicator of the state of labor-management relations is the number of major work stoppages (strikes and lockouts involving 1,000 workers or more). After an upsurge in 1989, work stoppage activity dropped in 1990. By the end of October, there were 43 work stoppages that involved 195,000 workers and 6.1 million days of idleness (amounting to about 3 of every 10,000 available work days during the 10-month period). Comparable figures for the same period a year earlier were 45 stoppages, 441,000 workers, and 14.8 million days of idleness (6 out of every 10,000 available work days).

Another indicator of the relations between labor and management was the size of wage adjustments in major collective bargaining settlements reached in private industry during the first 9 months of the year. Wage rate adjustments av-

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eraged 3.3 percent annually over the life of the contracts, compared with 2.1 percent the last time the same parties settled, typically in 1987 or 1988. If the same pattern holds through the fourth quarter, 1990 would be the second consecutive year since 1981 (when the measure was introduced) in which specified over-the-term wage adjustments were larger in new contracts than in the contracts they replaced.

Other characteristics of labor-management relations in 1990 are less easily measured in statistical terms, but are evident in the following discussions of developments in individual industries and firms.

Automobiles

Many labor relations pundits looked to the negotiations between the United Automobile Workers (UAW) and the "Big Three" U.S. automakers (Ford Motor Co., General Motors [GM], and Chrysler Corp.) as potentially setting the tone for bargaining in the United States for the next few years. The outlook was not good, these experts said. They believed the relationship between the union and the automakers was, at best, strained.

GM was chosen as this round's "strike target" (the company the UAW focuses on in negotiations) because of its size, large parts operations, and its history of plant closings and layoffs since the 1987 contract was signed.

Prior to the mid-July negotiations, GM had sustained a 6-day UAW job action at its Flint, MI, plant that ended only after it agreed to invest \$20 million in new manufacturing technology, to accept strict local limits on "outsourcing" (buying auto parts from outside suppliers), and to guarantee jobs to the 2,800 employees at the Flint plant through 1996. The job action was seen by many industry observers as the UAW's signal to GM of their determination to gain improved job security during national auto negotiations.

As it usually does, the UAW broke off contract talks with the other automakers to concentrate on signing an agreement with GM before the 1987 bargaining agreement expired. The relationship between the parties was described as more harmonious than usual, particularly after a "generous" first contract offer from GM. Negotiators failed to reach an agreement by the contract's expiration date, but the union extended the strike deadline on a daily basis (an unusual, but expected move) until an accord was reached. The ease with which the pact was reached and its strong support among the rank-and-file may indicate that collective bargaining in the industry is moving to a more cooperative and mature level.

The new 3-year agreement provides an unprecedented level of income and job security for GM's 300,000 employees represented by the UAW. In exchange, GM receives more flexibility in assigning work and eliminating expensive job classifications and work rules, and is allowed to reduce the work force through attrition and "buyouts" of older workers.

The new contract provides for:

- a new income and job security program requiring GM to spend about \$4 billion to guarantee income to senior employees;
- up to 36 weeks of supplemental unemployment benefits for laid-off workers equal to 95 percent of their take-home pay during the term of the contract, increasing to 100 percent after 36 weeks.
- an increase in maximum monthly pension benefit for early retirement (with 30 years of service, under age 62) of \$300 (to \$1,800) over the term of the contract;
- an increase in the amount of outside income an employee is permitted to earn before sacrificing benefits, from \$3,000 to \$15,000;
- "pre-retirement" leave that permits older employees to leave their jobs and receive 85 percent of their full-time pay until they are eligible for retirement (their positions will be filled by laid-off GM workers);
- a reduced minimum retirement age, from 55 to 50;
- an increase (from \$3,000 to \$7,000) in payments under the Voluntary Employment Termination Program, under which employees are given a lump-sum payment to quit, with a maximum "buyout" of \$72,000 (was \$65,000) and 6 months of free basic health care insurance coverage for employees with at least 25 years of service;
- a restriction on "outsourcing" (use of subcontractors) and excess overtime, and encouragement of "insourcing" (GM employees performing new work and previously subcontracted work);
- retaining the "one-for-two" attrition formula that requires GM to hire one worker for every two who retire, die, or quit, as well as contract language substantially barring permanent plant closures;
- improved benefits for currently laid-off workers;
- 3-percent wage increase in the first year and lump-sum payments in the second and third years equal to 3 percent of an employee's gross earnings in the preceding 12 months;

- increased pension benefits for future and current retirees;
- improvements in the profit-sharing plan;
- \$600 Christmas bonuses in 1991 and 1992 (in exchange for eliminating the \$600 perfect attendance bonuses);
- increases in life insurance, sickness and accident insurance, and extended disability and survivor income benefits.

Once the GM agreement was ratified, the UAW turned its attention to Ford. After 5 days of talks, negotiators for Ford and the union signed a 3-year agreement, covering some 100,000 workers nationwide, that closely parallels the GM contract. Unlike at GM, the job security and subcontracting provisions at Ford are not expected to be high cost items because over the term of the last contract Ford did not decrease its work force much because of "outsourcing," nor is the company expected to conduct large layoffs during the term of this contract.

Ford, however, may find the penalty for excess overtime (overtime hours worked in excess of 5 percent of straight-time hours worked) costly. Under the previous contract, the company met increased demand for its cars and trucks by using overtime instead of hiring more employees. Under the new contract, the penalty for excess overtime increases from \$1.25 an hour for all excess overtime hours to as much as \$5 an hour, with the actual rate depending on the amount of excess overtime hours.

At the end of October, the UAW and Chrysler signed a 3-year agreement, covering some 63,000 workers nationwide, that, with relatively few modifications, mirrors the contracts at GM and Ford. The ease with which the contract was negotiated was surprising, because Chrysler had said it could not afford as costly an agreement as was negotiated at GM and Ford, particularly the pension improvements and health insurance.

The major difference between the Chrysler accord and the two other automakers' contracts is the establishment of a third shift at Chrysler's minivan plant in St. Louis, MO. Other differences include slight variations in language dealing with outsourcing decisions and attendance policies. In addition, the Chrysler contract reportedly provides the company with "accounting breaks" in the pension area.

In a related development, less than 2 months after negotiating a new contract with the UAW, GM announced it would permanently close at least seven assembly plants in the next 2-3 years in a \$2.1 billion write-off that is "a major element in GM's long-term strategic plan to improve the

competitiveness and profitability of its North American operations." The closings are expected to affect some 20,000 GM workers.

Aerospace

The lead-off settlement in the 1989-90 bargaining round in the aerospace industry came in November 1989, when The Boeing Co. and the Machinists agreed on a 3-year contract after a 49-day work stoppage. Reflecting the troubled times in the industry, the accord was the industry's first lead-off settlement in 50 years that did not set a pattern for subsequent contracts.¹

In the first major negotiations after the Boeing-Machinists settlement, members of the Seattle Professional Engineering Employees Association, in November 1989, rejected a tentative accord with Boeing covering about 15,000 engineers. (This was the first time in the parties' bargaining history that a tentative agreement was rejected.) The Association however, did accept a contract for 12,000 technicians in Seattle, WA. Like subsequent settlements in the industry, the technicians' contract provided a smaller economic package than did the Boeing-Machinists settlement.

Terms of the technicians' accord included general wage increases of 3 percent retroactive to December 2, 1989, and 2 percent in December of 1990 and 1991; an immediate lump-sum payment equal to 10 percent of an employee's gross earnings during the preceding 12 months, followed by similar payments of 5 percent in December 1990 and 4 percent in December 1991; selective adjustments (increases based on an employee's performance) of 2 percent in June of each year; and various improvements in health insurance and pension benefits.

Later, in February 1990, the Association accepted a "sweetened" 3-year contract with Boeing, covering about 15,000 engineers. The new contract provided for a 3-percent general wage increase retroactive to December 2, 1989; a lump-sum payment equal to 10 percent of an employee's gross earnings in the preceding 12 months, payable upon ratification, followed by similar payments of 5 percent in December 1991 and 4 percent in December 1992; six semi-annual "selective" 2-percent wage increases (adjustments that are distributed to only some employees); enhanced pension benefits; and a reduction in mandatory overtime, from 200 hours in a quarter to 144 hours and from four consecutive weekends to two.

In December 1989, McDonnell Douglas and the Machinists settled for 8,000 workers at six of the company's facilities. The 3-year pact differed significantly from the Boeing-Machinists settlement. Terms included wage increases of 5.5 percent in the first year and 3 percent in the second and

third years; annual lump-sum payments equal to 4 percent of an employee's gross earnings in the preceding 12 months; and improvements in pension, life insurance, disability, and health insurance.

In February, negotiators for Lockheed Aeronautical Systems and the Machinists union reached new 3-year agreements covering 18,000 workers at four facilities in Marietta, GA, and southern California. The contracts provided wage increases and lump-sum payments for some workers and only lump-sum payments for others.

Employees in higher labor grades received general wage increases of 4 percent retroactive to October 1, 1989, and 3 percent on October 1 of 1990 and 1991, plus lump-sum payments on October 1 of 1990 and 1991 equal to 4 percent of the employee's gross earnings in the preceding 12 months, and a similar 2-percent payment on October 1, 1992. Employees in lower labor grades received a lump-sum payment retroactive to October 1, 1989, equal to 4 percent of their gross earnings in the preceding 12 months, similar payments of 7 percent on October 1 of 1990 and 1991, and 2 percent on October 1, 1992. Other terms included a two-tier wage system, with lower salaries for certain new hires; and the establishment of employee payments for dependent health insurance coverage—\$4 a week in the first year and \$6 a week in the second year.

In May, a new 3-year agreement was signed between McDonnell Douglas Corp. and the Machinists, representing some 12,000 employees at the company's military aircraft and missile building plants in St. Louis, MO. The pact called for a 5.5-percent wage increase in May 1990 and 3-percent increases in May of 1991 and 1992; lump-sum payments in each year of the contract equal to 4 percent of an employee's gross earnings in the preceding 12 months; and improvements in pensions, health benefits, and sickness, disability, and life insurance benefits.

In July, Rockwell International Corp. and the Automobile Workers signed 3-year agreements, covering some 9,000 workers at nine facilities across the country. The pacts called for wage increases of 4 percent immediately, 3 percent in July 1991, a lump-sum payment in December 1990 equal to 2 percent of an employee's gross earnings in the preceding 12 months, and a similar 6-percent lump-sum payment in August 1992. Other terms included enhanced pension benefits; and a decrease (from 100 percent to 84 percent) in the level of reimbursement under the preferred provider health insurance program.

In November, the last of the major negotiations in the industry were concluded when General Dynamics Corp. and the Machinists union

reached a new 3-year agreement, covering some 10,000 workers at the company's aircraft plant in Fort Worth, TX. The contract provided for wage increases of 5.5 percent immediately and 3 percent in November of 1991 and 1992; a \$1,000 ratification bonus; and the continuation of the cost-of-living adjustment provision, which provides for quarterly allowances equal to 1 cent for each 0.3-point increase in the Consumer Price Index for Wage Earners and Clerical Workers. Other terms included various health insurance cost containment measures; enhanced pension and dental benefits; increased company matching of an employee's investment in the savings plan; and the establishment of 14 new job classifications and upgrading of 44 additional jobs.

Railroads

A bargaining stalemate that for 2 years stymied railroad labor negotiators involved in national bargaining was temporarily ended May 7, 1990, when President George Bush appointed an emergency board to "forestall the possibility of a crippling nationwide rail strike." The dispute involved 11 railway unions, representing some 230,000 workers, and the Nation's railroads.

Contract negotiations in the railroad industry are conducted under the Railway Labor Act which provides a step-by-step process, including mediation and voluntary (but binding) arbitration to resolve labor disputes.

The railway unions presented initial contract proposals in April and May of 1988. Delays were encountered when some rail carriers were undecided about whether to participate in national negotiations, when the National Railway Labor Conference (the bargaining agent for the large rail carriers) adopted a new procedure allowing their members to withdraw from and rejoin the bargaining coalition at any time prior to the start of national bargaining, and when the parties could not agree upon the scope of bargaining: the carriers wanted to negotiate first on health and welfare before holding contract talks on other issues, while the unions wanted bargaining to be conducted concurrently on all issues.

After a deadlock was reached in bargaining in May 1989, the unions invoked the services of the National Mediation Board, the agency that administers the Railway Labor Act. After mediation sessions bogged down, the Board, on April 2, proffered arbitration, which was rejected by the unions. After a 30-day cooling off period, President Bush established Emergency Board No. 219 to hear the issues and make recommendations to resolve the dispute.

Emergency board meetings were held intermittently, with the parties presenting numerous

exhibits, charts, and supporting data. The unions' position was that there be no cost shifting or reduction in current health benefits; and that a managed health insurance program, if established, be added to the current health insurance program. The carriers proposed that all employees be required to participate in a managed health care program; that employees pay half the cost of future increases in health care (over and above the costs in 1989) plus \$20 a month for dependent coverage; and that there be penalties for patients not following the procedures and/or the medical advice of an outside medical review company.

In July, the emergency board issued guidelines for settling some of the health care issues, side-stepped the cost-sharing question, reserving the right to "issue specific recommendations" at a later date. (The board was expected to issue a full report on December 23.)

With the issuance of the guidelines, the parties began negotiations on the wage and work rules part of the dispute. The carriers' early proposals included work-crew reductions, more flexibility in assigning work, and the right to subcontract out more work. The unions were seeking semiannual 5-percent wage increases, elimination of some subcontracting, and job protection in "short-line" sales.

To date, a settlement has not been reached in this dispute.

Petroleum refining

The structure of bargaining in the oil refining industry is different from that in most other industries. Although the Oil, Chemical and Atomic Workers (which represents almost 110,000 workers in the petroleum, chemical, atomic, and related industries in the United States) bargains at the local level, bargaining objectives for certain issues, such as wages and health benefits, are determined at the national level through the union's National Oil Bargaining Policy Committee.

The Oil, Chemical, and Atomic Workers negotiated 300-350 contracts, covering about 40,000 workers, with 40 companies in the oil industry. Negotiations at the various oil companies began at the end of 1989. The first settlement in the industry was at Amoco in February, 1 day after the prior contract had expired. The Amoco accord, the first 3-year agreement in the parties' bargaining history, set the pattern for settlements at other major companies in the industry.

The new contracts provide for wage increases of 80 cents an hour in the first year, 5 percent in the second year, and 4.5 percent in the third year. The companies will increase their monthly contribution to health insurance by \$55 in the first year (formerly, \$200.50), \$45 in the second year, and

\$50 in the third year for family coverage, and by \$21 (formerly, \$78.11), \$19, and \$20, respectively, for single coverage. Other terms include a \$250,000 death benefit for survivors of an employee killed on the job; company paid training of marketing and transportation employees who must take the Department of Transportation's driving license tests; and up to 26 weeks of leave at full pay and an additional 26 weeks at half pay for an absence due to an occupational illness or injury.

The union and companies were, however, unable to agree on environmental monitoring and safety and health issues. In particular, the union was unable to establish the new job classification of "operator/monitor."

Bituminous coal

Although 1990 was a light bargaining year in the coal industry, it was not uneventful, as the industry experienced one of its most bitter labor disputes in years. The genesis of this dispute was the 1988 national negotiations between the Bituminous Coal Operators Association (hereafter, "Association"), the bargaining representative for numerous coal companies, and the United Mine Workers.

During the 1988 negotiations, some 200 coal companies signed interim agreements requiring them to accept an eventual national agreement in exchange for an exemption from any work stoppage. Although a 5-year national agreement between the Association and the Mine Workers subsequently was reached in 1988, some coal mining companies were not signatories. Among them was the Pittston Coal Co., which had withdrawn from the Association-Mine Workers national negotiations in 1986, and negotiated independently with the union when its 1986-88 contract was about to expire.

Negotiations between Pittston and the Mine Workers began in November 1987. Pittston's early proposals included demands for workers to share health insurance costs previously fully paid by the company, more flexible work rules and job classifications, mandatory overtime, and liberalized subcontracting rules. The union's primary demands involved fully paid health insurance and enhanced job opportunity and job security.

The major issue in the Pittston-Mine Workers dispute was the company's participation in the two industrywide health and welfare benefit trust funds. (One provides benefits for miners who retired before 1976; the second provides benefits for retired, disabled, and laid-off miners whose last employer is no longer in business.) When Pittston broke from the Association, the company stopped paying into the industrywide health and welfare funds, cutting off health benefits to Mine Workers retirees, their widows, and disabled min-

ers. (By withdrawing from industrywide funding, Pittston threatened the continuation of industry bargaining.) Pittston insisted that it would pay its share of benefits, but did not want its method of payment set by other companies in the industry.

After several months of unsuccessful negotiations, the 1,700 miners at Pittston walked off their jobs (on April 5, 1989). The work stoppage lasted 9 months and involved all the ingredients of a modern day labor saga (for example, millions of dollars in court levied fines for violations of picket line rules and court injunctions; alleged violence and destruction of property; charges and countercharges of unfair labor practices; wildcat strikes; a strong display of solidarity and support for the miners by organized labor; and intervention by the Secretary of Labor).

A settlement was reached on New Year's Day 1990 after marathon bargaining sessions conducted by former Secretary of Labor William J. Usery, Jr., who had been appointed by Labor Secretary Elizabeth Dole 3 months earlier to mediate the dispute. The 54-month agreement provided for three annual wage increases of 40 cents per hour, and an amount in the fourth year equal to any initial wage increase in a successor national coal agreement. Active miners and retirees under age 65 became eligible for semiannual payments of \$500 to cover a maximum \$1,000 deductible for health insurance, a new cost-sharing provision in the health plan. In addition, Pittston agreed to provide active miners and retirees fully paid health care coverage identical to that in the 1988 national coal agreement.

The contract included other concessions made by both parties. In return for being allowed to buy out of the 1950 benefit fund (which provides medical benefits for miners who retired before 1976) with a lump-sum payment of \$10 million, Pittston agreed to continue to participate in the 1974 pension and benefit fund, with contributions capped at the levels set in the 1988 national coal agreement (8 cents per hour worked for each employee). In addition, laid-off miners received limited rights to fill four of five vacant jobs at Pittston's nonunion facilities and, if production at the company's coal lands is subcontracted, 19 of 20 job openings at the subcontractor's facilities. In exchange for Pittston's pledge not to expand nonunion operations, the company was allowed to contract out repair and maintenance work, as well as the transportation of coal. The union also agreed to continuous operations of the mines and to flexible work schedules, including a 28-day shift rotation, four 10-hour work days, and work on Sundays.

Other terms included the arbitration of disputes involving the firing of miners for strike-related activity; an agreement to cooperate to settle

court cases related to the strike; increases in sickness and accident benefits, life insurance benefits, death benefits, and clothing allowances identical to those in the 1988 national coal agreement; and pension benefits and vacation days identical to those in the 1988 national coal agreement.

As an outgrowth of the settlement, Labor Secretary Elizabeth Dole appointed a commission to study pension and health care issues in the coal industry and, within 6 months, to make "legislative" recommendations to ensure the long-term security of health and welfare benefits for coal miners covered by the so-called 1950 and 1974 trust funds. The 11-member Coal Commission was chaired by William J. Usery, Jr. (who mediated the dispute between Pittston and the Mine Workers) and included five representatives from the United Mine Workers and five from the Bituminous Coal Operators Association and other coal operators. The Commission's report, released in November recommended:

- Funding should be borne by companies that were signatories to National Bituminous Coal Wage Agreements.
- A long-term solution should be found for the funding and delivery of health benefits.
- The surplus in the UMW pension fund should be transferred to the health benefit trust funds.
- The health care plan should include managed care and cost containment features.
- Financing of the health benefit funds should extend beyond 1993 (the year in which the national coal agreement expires).
- Liability for withdrawing from the trust funds should be imposed prospectively.
- Nonsignatory companies' funding obligations should be set "at the lowest practicable level."
- Beneficiaries of the funds be re-enrolled and re-certified.
- The structure of the health benefit trust funds should be examined for potential changes.

Although the Commission members agreed to the above recommendations, they could not reach consensus on who should finance benefits for "orphan" retirees (pensioners whose employers went out of business or no longer pay into the trust funds). Some members said that funding should be an industrywide obligation, while other members argued it should be borne only by past and current signatory companies.

Trucking

Although the Teamsters-National Master Freight Agreement with the trucking industry

was not up for bargaining in 1990, the year was significant for the trucking industry because the master contract for United Parcel Service of America (UPS) was renegotiated. The UPS accord, which covers some 140,000 workers, was seen by some industry analysts as potentially setting the pattern and the tone for the 1991 Teamsters-national master freight negotiations. (UPS is the largest package-shipping company in the United States.)

When a tentative agreement was reached at UPS, Teamsters union leaders recommended that the proposal be voted down by the rank-and-file because of "inadequate" wage increases and the company's insistence on both the use of additional part-time workers in its air delivery service and the adherence to strict production standards. Against the recommendations of their leaders and amid predictions of rejection by dissidents within the union, rank-and-file Teamsters members ratified the tentative agreement.

The 3-year contract boosted hourly wages for full-time workers 50 cents each year, from about \$16.10 an hour to \$17.60 an hour over the term of the contract. Part-timers, who currently start at \$8-\$9 an hour, received a \$1.50 an hour increase over term. Full-time workers received a \$1,000 ratification bonus; and part-timers, a \$500 bonus. The company's contribution rate for health benefits and pensions was increased each year by 35 cents an hour for each full-time employee (from \$8,330 to \$10,500 annually, on average, over the term of the contract).

Other terms include annual cost-of-living allowances in the second and third years of the contract, equal to 1 cent per hour (capped at 20 cents annually) for each 0.3-point increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers; a sixth week of vacation after 25 years of service; establishment of labor-management committees to study safety, health, and equipment issues, including the handling of hazardous materials; maintenance of strict production standards; improved drug testing rules and procedures; a change in contract language to stipulate that an employee would not be charged for loss or damage unless "clear proof of negligence" is shown; and the right of management to use additional part-time employees.

Postal Service

In mid-summer, the U.S. Postal Service and its four largest labor unions, representing some 584,000 workers, began talks to replace labor agreements expiring November 20. The Mail Handlers and the Rural Letter Carriers exchanged bargaining demands with the Postal Service on August 24, while the Letter Carriers and the Postal Workers, bargaining jointly as they have done

since 1971, exchanged contract proposals with the Postal Service on August 28. According to the Postal Service's chief labor negotiator, this bargaining round was "without a doubt. . . [the] most significant negotiations we've ever had."

The labor negotiators are facing an economic environment fraught with conflict. Bargaining is occurring while the Postal Service is being transformed from a labor-intensive operation to a more automated operation and is also trying to reduce its work force and contract out more work. At the same time, The Postal Service is losing ground to competitors in the financially profitable areas of parcel post, overnight delivery, and some international delivery, and it is experiencing a slight drop in business (mail volume) after steady growth during the 1980's.

The major issues in negotiations are wages, cost-of-living adjustment allowances, health insurance costs, safety and health, subcontracting, and automation. The unions are seeking a 22-percent wage increase over 3 years, full cost-of-living protection, enhanced health insurance coverage, restrictions on the use of additional part-time and temporary employees (and other job security issues), improved retraining and relocation of workers displaced by automation, and the use of postal employees for encoding (keying) in the remote bar coding system.

The Postal Service reportedly is proposing lump-sum payments of \$950 over 2 years, performance-based bonuses of up to \$1,100 annually, health care cost containment measures, an increased work force flexibility (by adding part-time and temporary workers), and subcontracting of the encoding work.

This dispute apparently was resolved on November 21, when the unions and the Postal Service, having reached a stalemate, agreed to have an arbitrator resolve all outstanding issues. Although postal employees do not have the right to strike, some postal union officials previously had talked about "slow downs" and "working-to-the-rules," which could have adversely affected postal operations during the holiday season.

Steel

Bargaining in the steel industry in 1990 for the most part followed the lines established a year earlier. In 1989, reflecting the general recovery of the domestic steel industry, major pay and benefit cuts agreed to in the early 1980's were restored in Steelworkers' contracts with Bethlehem Steel Corp., National Steel Corp., Inland Steel Industries, and Armco Steel Co. The agreements also called for additional wage and benefit increases, and the establishment of profit-sharing plans. Broadly similar contracts were reached in 1990 between the Steelworkers

and Allegheny Ludlum Steel Corp., LTV Steel Co., and Wheeling-Pittsburgh Steel Corp.

In *Allegheny-Ludlum's* 4-year agreement, the 3,500 employees received 50-cent-per-hour general wage increases on April 1 of each year, and two new monetary items, a profit-sharing plan and an "inflationary recognition program," both of which are linked to the company's economic performance. The profit-sharing plan kicks in when Allegheny-Ludlum's pretax income rises more than 4-percent a year, and payments under the inflationary recognition program are contingent upon a 4-percent rise in both the company's pretax income and the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W). Under the program, employees will receive quarterly payments equal to 1 percent of their base pay if the CPI-W rises 4 percent a year, and additional 1-percent payments for each full 1-percent rise in the CPI-W of more than 4 percent.

Several changes were made in the pension area, including a \$4 increase in the minimum monthly pension rates per year of credited service (to \$21.50-\$24.50); the roll-in of \$2.36 an hour in previously earned cost-of-living adjustment payments to employees' earnings for pension calculations; and the elimination of workers' compensation benefits as an offset from pension benefits.

Other terms include an immediate \$1,200 signing bonus; enhanced life insurance benefits for retirees; a new optional tax-deferred savings plan; a new longevity incentive plan for employees with at least 30 years of service; and improvements in health insurance for both active employees and pensioners.

The *LTV* contract was negotiated under a wage reopener contained in the parties' 1987 agreement. Terms of the reopened agreement provide for the restoration of pay concessions (averaging about \$1.59 an hour) on April 15, 1990, plus additional wage increases of \$1.50 over the term of the contract. The agreement also calls for an immediate \$1,000 lump-sum payment, of which \$500 is an advance from a revised profit-sharing plan that would generate payments to employees equal to 10 percent of profits.

Other terms include the restoration of three holidays and 1 week's vacation; company payment of one-half of the cost of optional major medical insurance coverage for pensioners; elimination of employees' monthly payment for health insurance; the establishment of a new optional managed health care system; a joint labor-management program to improve product quality and customer service; and an agreement to confer on pension changes after the Supreme Court rules on litigation between *LTV* and the Pension Benefit Guaranty Corporation over the company's liabil-

ity for three steel industry pension funds that *LTV* stopped paying into in 1987. (Subsequently, the Supreme Court ruled against *LTV*, and held that the Pension Benefit Guaranty Corporation may require the company to assume the \$2 billion liability.)

At *Wheeling-Pittsburgh Steel Corp.*, the Steelworkers signed a collective bargaining agreement that reportedly allows employees to approach pay and benefit comparability with workers at other major domestic steelmakers. The contract also is expected to help Wheeling-Pittsburgh to emerge from the Chapter 11 bankruptcy protection it has been under since April 1985.

The new contract will become effective upon approval of the company's reorganization plan by the bankruptcy court, and will remain in effect until March 1, 1994. Terms provide for an immediate \$1.50 an hour average wage increase (which effectively restores pay cuts agreed to under the 1982 and 1985 agreements), plus an additional \$1.50 over the term of the contract; a \$3,500 signing bonus; restoration of 1 week of vacation, vacation bonuses, five holidays, time and a half for working on Sundays, and incentive rates; the exchange of common stock for the \$26.8 million the workers had in an employee investment program; language "severely restricting" contracting out of work; a successorship clause; a career development program; improved severance pay and supplemental unemployment benefits; and enhanced health insurance coverage for retirees.

USX Corp. and the Steelworkers agreed to begin bargaining early on their contract, which expires February 1, 1991. The contract covers some 18,000 workers in the company's steel and mining operations. An early contract signing would assist the *USX Corp.* in its current effort to sell all or part of its steel operations.

Bethlehem Steel Corp., under a reopening clause, asked the Steelworkers to renegotiate the 50-month contract they signed in 1989 in exchange for the investment of more than \$100 million in modernizing the three plants in its troubled bar, rod, and wire division, which employs about 2,700 workers at facilities in Johnstown, PA; Lackawanna, NY; and Sparrows Point, MD.

Rubber

Major bargaining in the rubber industry in 1990 stemmed from reopeners in contracts reached during the 1988 round of negotiations. Reflecting the difficult economic times in the industry, the only change in the "Big Three" (Goodyear, Firestone, and Uniroyal Goodrich) contracts with the Rubber Workers in the 1990 reopeners occurred in April when Uniroyal Goodrich and the union, representing about 6,400 workers in

four plants, reached an accord on their contract reopener. The agreement brought the Uniroyal Goodrich employees to wage and benefit comparability with 15,000 Rubber Workers members at Goodyear Tire and Rubber Co. and 4,700 Rubber Workers members at Firestone Tire and Rubber Co. (Similar contract talks at Firestone and Goodyear, which were limited to wages only, led to no change.)

Terms at Uniroyal Goodrich called for an immediate 25-cent advance on future cost-of-living adjustment allowances for workers at three of the four tire plants (employees at the fourth plant did not receive the advance because they were covered by a special local agreement); a \$1.50 increase (to \$23.50) in the monthly pension rate for all years of credited service; a \$25 increase (to \$250) in weekly sickness and accident benefits; a \$13 increase (to \$150) per employee in employer contributions to the supplemental unemployment benefits contingency reserve; and enhanced medical benefits.

Longshore

On the west coast waterfront, labor and management concluded another round of peaceful bargaining in 1990. Negotiators for the Pacific Maritime Association (representing about 100 West Coast waterfront employers) and the International Longshoremen's and Warehousemen's Union signed a 3-year agreement covering some 9,000 longshore workers and clerks at ports in California, Oregon, and Washington.

The accord provided for a \$2.15 increase in the basic straight time hourly longshore pay rate over the term of the contract, bringing the rate to \$22.48. In addition, the contract maintains the level of health and welfare benefits, which, according to the union, currently cost employers \$70 million annually. In return, the health care deductible for employees was increased from \$50 to \$100 a year for each covered person.

In the area of job preservation, the contract provides protection for Oregon- and Washington-based Longshoremen's and Warehousemen's members whose jobs are threatened by downturns in the logging industry. In addition, the contract calls for "adequate" funding of the Pay Guarantee Plan under which registered longshoremen are guaranteed up to 38 hours of pay a week.

Other terms included the resolution of some long-time problems dealing with registration of longshoremen and dock preference; the establishment of a "one door" policy governing transfers from longshore positions to clerk positions; work rule changes that employers sought to improve productivity; a letter of understanding concerning Longshoremen's and Warehousemen's jurisdic-

tion at near-dock intermodal yards (facilities connected with dock work where goods are moved by more than one type of transportation, for example, railroad and trucking) opened by Pacific Maritime Association member companies; enhanced pension, health, and life insurance benefits; and the establishment of a 401(k) plan.

In contrast to events on the west coast, on the Atlantic and Gulf coasts, the major problems facing the International Longshoremen's Association (ILA) and the shipping companies were those that had been left unresolved after the 1989 negotiations. During the previous round of bargaining, the union and shipping companies agreed to extend their existing contract by 14 months, to November 1990, to give the union more time to convince its members that they must accept cuts in compensation and changes in work rules to preserve jobs and the financial health of the employers. The problems facing the longshore employers and employees at that time included adapting to changes in cargo handling, growing competition from nonunion operators, and shifts in cargo destination among covered ports and to the west coast.

Initial bargaining talks were held in January. (The representatives were the New York Shipping Association, Boston Shipping Association, Southeast Florida Employers Port Association, Council of North Atlantic Shipping Association, and Carrier Container Council.) The master contract governs bargaining issues such as wages, hours of work, manning (as related to container work), employer contributions to the health and welfare and the pension funds, duration of the agreement, and jurisdiction. (Local negotiations cover benefit levels and local work rules and practices.)

Intermittent bargaining sessions were held between January and mid-September, then were recessed until October 26. At that time, the major issues in dispute were management's proposals to reduce the size of container work gangs by four workers and to introduce a shift system to decrease overtime payments.

A settlement came October 31 after management softened their position on some of their sweeping "give-back" proposals and sweetened the pot on wages, and the union made concessions on manning levels. The 46-month contract called for wage increases of \$1 an hour (previously, \$18 an hour) on December 1, 1990, and on October 1 of 1991, 1992, and 1993; a 90-cent increase over the contract term (previously, a minimum of \$7.15 for each hour worked) in employer contributions to the health and welfare and pension funds; a 2-person reduction, from 20 or more, in the minimum size of the work gang used

to load and unload containers; an agreement to establish a midnight shift and a wage differential for work performed between the hours of 6 a.m. and 8 a.m.; and establishment of a fund to protect local benefit funds that become depleted when shipping companies cease operations (contributions are 35 cents for each ton handled in the first 3 years of the contract and 75 cents in the fourth year).

Meanwhile, on October 25, waterfront employers and the union signed an agreement covering about 600 workers performing cargo container maintenance and repair work at the 36 Atlantic and Gulf Coast ports represented by the International Longshoremen's Association. This was the first time in the parties' bargaining history that maintenance and repair workers were included in the master contract. This expansion of the master contract's scope was seen as a means of enhancing job opportunities of members of the International Longshoremen's Association. The principal feature of the settlement was a wage increase of \$1 an hour over the term of the contract (previously, \$18 an hour).

In local negotiations, in January, the Steamship Trade Association and five International Longshoremen's Association local unions agreed on a new 10-month contract on local issues covering 2,300 dockworkers in the port of Baltimore. (Baltimore was the only port where a local contract was not signed in 1989, after the ILA ratified the 14-month extension of their master agreement with East and Gulf Coast shipping companies.) Major terms of the agreement included a restructuring of job duties and classifications; an increase in the size of container crews (from 20 to 23); loss of some clerk and checker jobs; and clarification of contract language dealing with the union's jurisdiction over dockworkers' jobs.

Elsewhere, in the port of New York and New Jersey, to decrease the number of registered dockworkers, special retirement benefits were offered to 2,500 of the port's workers who were age 55 or older with at least 25 years' service. The offer was accepted by 1,540 dockworkers under the local contract negotiated in 1989 between the New York Shipping Association and the International Longshoremen's Association.

Interurban transit

One of the most bitter, protracted labor disputes in the transit industry, or any other industry, in recent years occurred in 1990 at Greyhound, the only nationwide intercity bus company. Negotiators for the Greyhound Lines and the Amalgamated Council of Greyhound Local Unions (Amalgamated Transit Union), which represents some 6,300 drivers and 3,075 mechanics and clerical workers, began bargaining talks on No-

vember 2, 1989, to replace the contract that was to expire on March 2, 1990. Negotiations stalled when the company's final offer was rejected by the union's bargaining committee in February.

The company's proposal reportedly included a 3-year contract providing wage increases of 25 cents to \$1.75 an hour over the term of the contract to maintenance and clerical workers; wage increases for drivers through safety- and incentive-based bonus payments based on passenger load factors, with no increase in the base rate per mile; the right to subcontract drivers' work on all bus routes; and the introduction of a new profit-sharing plan. (The union was angry about the lack of guaranteed wage increases for drivers, particularly after having agreed to wage cuts in 1983 and 1987.)

The company said it had a tentative prestrike agreement with the union's chief negotiator that would have given drivers "fixed annual wage increases" instead of incentive payments and would have included revised wage rates for drivers hired after May 1, 1990, in exchange for the company's dropping its proposal to subcontract drivers' work. According to the company, the pre-strike compromise became unraveled when it could not be sold to the Council of 22 local union presidents who must approve any contract negotiated by the union bargaining team.

On March 2, union members walked off their jobs, citing wages and subcontracting as the major issues in dispute. The company insisted it was at a "legal" impasse in negotiations and vowed to stay in business by hiring strike replacements to supplement supervisors and employees who remained on the job.

The dispute became more bitter after Greyhound implemented its final contract offer and both sides took a hard line on the use of replacement workers. The company said that it would not agree to a contract that permitted striking drivers to use their seniority to take the jobs of strike-replacement drivers. The Amalgamated Council of Greyhound Local Unions refused to sign "any agreement that doesn't have a clause . . . for the seniority roster to stay intact."

The focus of the dispute soon shifted from the bargaining table to the legal and political arenas. On March 7, the union filed charges of unfair labor practices with the National Labor Relations Board, alleging that the company refused to "bargain in good faith." The Board, in May, issued a complaint against Greyhound stating that the strike was "caused and/or prolonged" by unfair labor practices committed by the company, including a "failure to bargain in good faith" (implementing its final offer without a "valid impasse in bargaining") and giving strike replacements seniority over striking drivers. The union subsequently

requested that the Board seek a temporary injunction under Section 10(j) of the National Labor Relations (Taft-Hartley) Act ordering Greyhound to immediately reinstate the strikers who, on May 22, had unconditionally offered to return to work pending the outcome of the unfair labor practices charges against the company. (Under the Taft-Hartley Act, when a strike involves employer unfair labor practices, striking workers cannot be permanently replaced and can claim their jobs and back pay upon an "unconditional" offer to return to work.)

In November, the Board authorized the filing of 16 additional complaints against Greyhound. The complaints alleged that the company illegally fired strikers for union activity, coerced employees, and refused to provide the union with information to which it was entitled.

Meanwhile, the union and the Board had reached a settlement on unfair labor practice charges filed against the union by Greyhound. The settlement provided for NLRB orders and court decrees prohibiting alleged acts of strike-connected violence, mass picketing, and picket-line misconduct.

With no breakthrough in sight, Greyhound and the Amalgamated Council seem to have laid plans for coping with a lengthy dispute.

Airlines

The airline industry went through another turbulent year. With declining traffic and skyrocketing fuel costs, the industry found itself in financial difficulties. As expected, labor-management relations at several air carriers were chaotic and bitter. Notwithstanding this, labor negotiations in the airline industry were overshadowed by other events at two major carriers, United Air Lines and Eastern Airlines.

United Air Lines, in October, reported that its parent company, UAL Corp., was pulling out of a tentative agreement to sell the airline to its three unions: the Air Line Pilots Association, the Machinists, and the Flight Attendants. The three unions had been trying to purchase the airline since April, when the UAL Corp.'s board of directors tentatively accepted their \$4.4 billion (\$200 a share) buyout bid, contingent on the unions obtaining financing by August 8. The deal had been put together by the unions and Coniston Partners, a New York investment group and UAL's largest stockholder. As part of the buyout, the unions agreed to 5-year concessionary contracts with 6-year no-strike pledges. In mid-July, United's 26,000 nonunionized employees accepted wage concessions to aid the buyout effort.

With the turmoil in the Middle East and resultant increases in oil prices last summer, the UAL

Corp. board of directors extended the buyout deadline to allow the unions more time to arrange financing. In September, after an unsuccessful effort by a consortium of banks to syndicate the financing, the unions reduced their offer to \$3.8 billion (\$175 a share), which was rejected by the UAL Corp. Three weeks later, the unions offered alternative proposals, which included a combination of cash, stock, and securities. The UAL Corp.'s board of directors rejected the latest offer because they came without a guarantee of financing and were lower (reportedly \$155 a share) than the one tentatively accepted by the board in April.

The UAL Corp. board of directors then directed United Airline's management to resume traditional labor talks with their unions. When this article went to press, no settlements had been reached.

At *Eastern Airlines*, the year's major events were as follows (in chronological order):

- February 2—Eastern and the Transportation Workers Union, which represents the carrier's flight attendants, sign a back-to-work agreement giving flight attendants the right to return to work in seniority order as jobs open.
- March 7—Congress fails to override President Bush's November 21, 1989, veto of a bill calling for the establishment of a bipartisan commission to investigate the 2-year Eastern-Machinists strike (the Machinists strike against Eastern began March 4, 1988).
- March 22—Eastern and the Air Line Pilots Association reach agreement on an interim labor contract that allows the carrier to cut the pay (by about 25 percent) of 900 pilots who did not join in their union's sympathy strike or who returned to work before the sympathy strike ended.
- April 19—A U.S. bankruptcy court removes control of Eastern from Frank Lorenzo and appoints Martin Shugrue as its trustee. (The carrier had been operating under bankruptcy protection since March 9, 1989.)
- June 6—Eastern and Air Line Pilots resume negotiations under the auspices of the National Mediation Board, the Federal agency that administers labor relations in the airline industry. (Mediation under the auspices of the Board had ended after the interim agreement was signed in the spring.)
- July 9—Eastern rejects arbitration which had been proffered by the National Mediation Board after an impasse was reached in negotiations with the Air Line Pilots. Because arbitration was declined, the carrier is free to

implement its final offer and the union, to strike after a 30-day cooling off period. Air Line Pilots leaders at Eastern decide to take a strike vote. (A strike was never called.)

- August 2—The U.S. District Court for southern Florida rules that Eastern can not permanently replace Air Line Pilots Association members with strike replacements who were in training when the union unconditionally ended its sympathy strike.
- August 14—A bankruptcy court judge approves Eastern's request to amend the pilots' contract and temporarily imposes 20-percent wage and benefit cuts to allow the beleaguered carrier to save \$7-\$9 million monthly.
- September 18—Eastern and the Pension Benefit Guaranty Corp. reach an agreement settling Eastern's pension liability for the company's seven pension plans when Eastern's parent company, Continental Holdings Inc., with Eastern's help, agreed to fully fund the plans.
- November 14—A bankruptcy court judge rejects Eastern's unsecured creditors' request to shut down the carrier, and says he will review the carrier's financial condition in a couple of weeks.

To date, no agreements have been reached by the Air Line Pilots Association or the Machinists.

Apparel

Conditions in the apparel industry in 1990 were basically unchanged from recent years. Apparel companies struggled to meet competition from lower cost foreign apparel manufacturers, unions fought to improve wages and benefits for their members, and both parties jointly sought legislative solutions to their common problems.

The Clothing and Textile Workers negotiated contracts, covering some 81,000 workers, with two large employer groups, the Cotton Garment Negotiating Group and the Clothing Manufacturers Association of the USA. (Contracts in the industry are negotiated industrywide by the national union.) In both sets of negotiations, labor talks focused on health insurance costs, safety and health, and wages.

In March, after 1 month of negotiations, the union and the Cotton Garment Negotiating Group reached an 18-month agreement, covering about 15,000 workers involved in the production, distribution, and retailing of men's shirts, trousers, and other cotton garments. (The Negotiating Group bargained for 30 companies in the cotton garment industry nationwide, including Arrow, Hathaway, Manhattan, Jay Mar-Ruby, and Cotler.) The settlement, which included wage and benefit im-

provements, was extended to other companies in the cotton garment industry employing an additional 27,000 workers. The key issue in contract talks was the companies' proposal to shift some health care costs to employees by requiring them to pay for a portion of health insurance premiums.

The contract provided for a 35-cent-per-hour wage increase over its term. (The average hourly wage under the previous contract was \$6 to \$6.15 per hour.) Besides continuing the health plan under the jointly administered health insurance fund on a fully-paid basis, the pact provided for improvements in health insurance. The companies also agreed to increase their contributions to the jointly administered health benefit fund to 14.1 percent of gross wages (was 13.6 percent). In addition, the settlement called for the creation of two new labor-management committees, one at each company to explore health and safety issues and one industrywide committee to lobby for a national health insurance program.

In September, negotiators for the Clothing Manufacturers Association (composed of manufacturers of men's and boys' clothing) and the Clothing and Textile Workers reached a 3-year agreement, covering some 39,000 workers nationwide. The contract provided for a 75-cent-an-hour wage increase over the term of the agreement. (The average hourly rate at the expiration of the prior contract reportedly was \$7.60.) Among other terms were improvements in the coverage provided by the company-paid health care plan; the establishment of a labor-management safety and health committee at each plant; a reduction from 30 to 15 minutes in the unpaid waiting time for piece rate workers because of machine failures; and an agreement to jointly lobby for a national health care system.

Baseball

The baseball labor talks resembled some of those of the past—a bruising fight, with a long delay in the start of the season. The owners eventually locked out the players, for the third time since 1976. The 32-day lockout was the longest in the parties' 20-year bargaining history. Salary arbitration eligibility, a sticking point in the last five negotiations, was a key factor in the dispute. The baseball players were represented by the Major League Baseball Players' Association (Ind.); and the 26 baseball club owners, by the Player Relations Committee.

The owners' original contract proposal included a revenue-sharing plan in which 48 percent of revenues from ticket sales and television and radio broadcasts would be divided among the clubs to pay for player salaries and benefits; a pay-for-performance plan, in which players with

fewer than 6 years of experience would get non-guaranteed, 1-year contracts with their salaries determined by a statistical formula, while players with 6 years or more of experience would be free agents (free to sign with their current team or with any other ball club); free agent restrictions, under which teams over preset aggregate salary levels would not be able to sign another team's free agents; continuation of the current salary arbitration eligibility; and a \$90,000 minimum salary for major league players.

The players' original demands included salary arbitration for 50 percent of the most senior players with between 2-3 years of experience; \$100,000-\$125,000 minimum salaries, plus cost-of-living increases; \$57 million annual contribution by the club owners to the pension and benefit plan; a 25-man major league roster; liberalized rules for free agents; continuation of the existing pension and benefit formula combining owners' contributions with revenues from television coverage of the All-Star Game, the playoffs, and the World Series; and automatic penalties for, and future protection from, collusion by the owners in the signing of free agents.

The 4-year settlement came after the baseball owners abandoned proposals on two thorny issues, revenue sharing and minimum salaries, and a compromise was reached on a third and even more intractable issue, salary arbitration. The contract provided for salary arbitration for the top (based on service time) 17 percent of the players in the league with between 2 and 3 years of service (approximately 15 players), provided they had been on their current team's roster for at least 86 days in the previous season. Minimum salaries were increased to \$100,000 (from \$68,000) for major league players, and to \$25,000 (from \$22,700) for minor league players. Under the pact, each of the 26 ball clubs has 24 roster positions (to be increased to 25 in 1991) for major league players and 16 for minor league players. Other terms included a \$55 million (was \$39 million) owners' annual payment to the pension and benefit fund; two new expansion teams for the National League; annual cost-of-living adjustment allowances in 1992 and 1993, based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the preceding 12 months; and automatic triple damages to players if intentional collusion is proven against at least five teams in the signing of free agent ballplayers. The agreement may be reopened on major issues after 3 years.²

Newspapers

Some observers have described recent collective bargaining in the newspaper industry as

verbal and economic sparring, with the fate of one—sometimes both—of the parties hanging in the balance. Labor-management talks at two of New York City's newspapers, *The Daily News* and *The New York Post*, epitomize this.

Against a backdrop of a economic slowdown in the New York City area, intense competition among New York City newspapers, and declining newspaper readership, contracts for 10 unions, representing almost 2,500 workers at *The Daily News*, the third largest metropolitan newspaper in the country, expired March 31. The unions were represented in bargaining by the Allied Printing Trades Council. The major issues in dispute included wages and benefits, job security, management rights, subcontracting, staffing levels, and grievance procedures.

At the start of negotiations in January 1990, the paper's publisher indicated the company's goal was "to regain management control of manufacturing and distributions operations," and cited the need to decrease payroll costs from about 50 percent of revenues to 25 percent to realize \$70 million in annual savings. To effect the savings, the newspaper proposed various "give-backs," including cuts in wages, staffing levels, vacations, and pension and welfare contributions; expansion of the management rights clause to enable the *News* to freely set hours and other working conditions; elimination of the job and union security language in the collective bargaining agreements; subcontracting outside delivery work; and modification of the grievance procedures.

After 9 months of bitter negotiations, according to the unions, tempers flared during the graveyard shift, sparking a spontaneous walkout by about 34 members of the truck drivers union employed at the newspaper's Brooklyn printing plant. However, the *News* said that 230 workers walked off their jobs immediately after the temper flareup, and then were joined by the 34 drivers.

About an hour later, management, claiming the union was conducting a deliberate strike, bused 14 replacement workers to the plant. The drivers' union denied that it was conducting a strike, claiming the incident was really part of a "premeditated strategy" to provoke a strike to break the unions.

The confrontation became a full-blown job action when the *News* management team told union leaders that 60 drivers had been permanently replaced and would not be allowed to return to work, and refused the unions' request to arbitrate the dispute. When the drivers reported to work, they were refused entry. The drivers' union then announced, "We are officially on strike for unfair labor practices." Eight of the newspaper's nine

other unions joined in the strike. (The ninth, the Typographers, have an agreement with a lifetime guarantee of jobs.). The *News*, in turn, dismissed its unionized employees, hired more strike replacements, and brought in newsroom workers from other newspapers owned by its parent company, *The Tribune Co.* "By hiring replacements who have been promised permanent employment," said the unions' principal advisor, "*The Daily News* has insured that this dispute can never be settled, because even if the unions suddenly decided to give management everything they've been asking for, there is now a new issue: the fact that the people replaced will not be able to go back to work."

At press time, there was no agreement in sight, nor did there seem to be a chance for a negotiated settlement as long as the newspaper and the unions held to their positions on striking employees and replacement workers.

In contrast, *The New York Post* successfully beat a settle-or-shutdown deadline with an agreement that they hoped would breathe new life into the newspaper. Contracts between the *Post* and its nine unions represented by the Allied Printing Trades Council expired September 15. (The *Post*, the oldest continuously published daily newspaper in the country, was the second of New York City's four largest daily newspapers to bargain last year.)

The newspaper reportedly proposed wage and benefit cuts of up to 46 percent for some employees (newsroom, advertising, and circulation employees) and cuts of 352 (out of 900) jobs at the paper. These actions, according to the newspaper, would generate almost \$20-\$25 million in annual savings needed to keep the paper going.

Unlike the bitter negotiations at the city's *Daily News*, the contract talks between the parties at the *Post* were described as cordial. According to Richard T. Nasti, the *Post's* general manager, "This is a case of rational people sitting down and doing what must be done to preserve jobs and keep the paper running." Deborah Freedman, a Council spokesperson, said, "We don't think they [the newspaper management] are fooling; they're in trouble." (The paper reportedly has lost \$80 million in the 2-1/2 years that it has been under the new management.)

Agreeing that keeping the newspaper in business was the number one priority, the unions dissolved their coalition and bargained separately with management, each free to decide whether to accept cuts in wages or jobs. By mid-September, negotiators for the newspaper and all the unions, except The Guild, had reached agreements that called for cost reductions. The eight unions, which represent some

500 *Post* employees, were said to have accepted job cuts of more than 100 positions along with other contract changes that reportedly would result in \$19 million in annual savings to the newspaper. Later, The Guild, which represents about 350 reporters, editors, photographers, and advertising and clerical workers, agreed to a 20-percent pay cut (a 4-day workweek at 4 days' pay) and the loss of 43 jobs that reportedly will save the newspaper another \$5 million. In addition, employees were given the option to resign immediately and receive 60 days' salary (termination pay) plus severance pay as if the paper had closed.

Union affairs

Conditions were little changed from preceding years for unions, as they sought to build or rebuild their strength in an effort to stem the long-term decline in union representation in the workplace. During 1990, unions improved their bargaining techniques, adjusted their goals, and made changes to better serve their membership and influence public opinion.

One of the new, innovative approaches adopted by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the umbrella organization which represents most national unions in the United States, was the creation of a union-backed fund to help finance employee buyouts of their companies. The AFL-CIO also implemented two major organizational changes in 1990 to more effectively serve their membership: They established a Department of Transportation Trades to represent the interests of some 600,000 members in trucking, railroads, airlines, mass transit, maritime, and related industries; and divided its Occupational Safety, Health, and Social Security Department into two departments, the Department of Occupational Safety and Health and the Department of Employee Benefits.

Organization changes during the year included establishment of a new nurses union, the United Nurses of America, by the American Federation of State, County and Municipal Employees; and approval by the executive board of the Oil, Chemical and Atomic Workers to renew merger talks with the *United Mine Workers*.

Leadership changes during the year included:

- Larry Dugan Jr., past president of the Operating Engineers, retired as an AFL-CIO vice president and was succeeded by Frank Hanley, president of the Operating Engineers.
- Henry A. Duffy retired as president of the Air Line Pilots Association and was succeeded by J. Randolph Babbitt.

- Kenneth L. Coss defeated incumbent Milan Stone for the presidency of the United Rubber Workers.
- James M. Pierce, president of the National Federation of Federal Employees, who did not seek reelection, was succeeded by Sheila Valazco.
- Mac A. Fleming, secretary-treasurer, defeated incumbent Geoffrey N. Zeh for the presidency of the Maintenance of Way Employees.

Other developments

Legal rulings. During the year, the Supreme Court issued decisions affecting employment, labor-management relations, and collective bargaining, among which were the following:

- State and local governments can be sued for damages under 42 U.S.C., Section 1983 if they interfere in the collective bargaining process of a company and union (*Golden State Transit Corp. v. City of Los Angeles*).
- A worker's duty-of-fair-representation claim against his or her union may be brought in Federal District court rather than before the National Labor Relations Board, even though the breach of duty of fair representation may constitute an "unfair labor practice." (*Breininger v. Sheet Metal Workers, Local 6*).
- Federal courts may assist employees involved in alleged age discrimination cases to contact other employees who potentially may be eligible to join the lawsuit (*Hoffman-LaRoche, Inc. v. Sperling*).
- An employer's good-faith doubt about a union's majority status can not be based solely on an assumption that workers who are hired to replace striking union members do not support the union (*NLRB v. Curtin Matheson*).
- A labor organization which had assumed the duty of joint mine safety inspections with an employer under the provisions of a collective

bargaining agreement is not liable under Federal or State law to the survivors of miners killed in a mine accident (*United Steelworkers v. Rawson*).

- The Pension Benefit Guaranty Corp. may restore a previously terminated pension plan to a company that is under the protection of a bankruptcy court because of the establishment of a "follow-on" plan and the improved financial health of the company. (A follow-on plan is a new pension plan that "wraps" around Pension Benefit Guaranty Corp. benefits to provide about the same pension benefits as would have occurred if the original pension plan had not been terminated.) (*Pension Benefit Guaranty Corp. v. LTV Corp.*)

Legislation. Legislation of interest to collective bargaining practitioners included:

- Strike replacement legislation, introduced but not passed, to amend the National Labor Relations Act to reverse current labor law doctrine (which allows employers to permanently replace striking employees with new hires and permits striking employees to fill jobs only as vacancies open up) by prohibiting employers from hiring permanent strike replacements during a strike or lockout.
- Family leave legislation, approved by both houses, but vetoed by President Bush, would require employers to grant workers up to 3 months of unpaid leave for the birth or adoption of a child or to care for ill family members, and to guarantee them jobs upon return to work.
- Federally funded child care legislation was approved under authorization of the budget reconciliation bill passed last October. The program will provide several billion dollars in tax credits for low- and moderate-income families, and about \$2.5 billion in grants to States to subsidize child care programs. □

Footnotes

¹ For details of the Boeing-Machinist contract, see George Ruben, "Collective bargaining in 1989: old problems, new issues," *Monthly Labor Review*, pp. 19-21; and "Developments in Industrial Relations," *Monthly Labor Review*, February 1990, p. 56.

² For a detailed account of the baseball contract, see Paul D. Staudohar, "Baseball labor relations: the lockout of 1990," *Monthly Labor Review*, October 1990, pp. 32-36.