

Stretching Out a Victory in Long Rubber Dispute

Good, bad, win, or lose, both parties to the 2-year plus rubber strike claim a sort of victory after each makes major concessions.

BY MICHAEL H. CIMINI

A bitter 27-month strike ended at one of the Nation's largest tiremakers, Bridgestone/Firestone, when negotiators for the company and the United Steelworkers signed a 3-year labor contract on November 6, 1996, that provided each side with wanted contract changes. The protracted dispute had attracted world-wide attention when the Steelworkers—who joined the fray when they merged with the United Rubber Workers—conducted an international corporate campaign against the company. The resources of the combined union and, at times, other organized labor groups, were pitted against Bridgestone/Firestone and its parent company, Bridgestone Co., an international business conglomerate headquartered in Japan. The dispute became so heated that the Rubber Workers' president accused the company of leading "an unholy alliance" with three other foreign-owned tire companies by demanding such deep concessions from the union that they would have negated contract terms that had evolved over nearly 60 years of negotiations.

which cover some 6,700 workers, included victories for both parties. Bridgestone/Firestone won the right to run continuous, 7-day-a week operations and to require employees to make copayments for medical services.

It's a victory for both sides.
Saul Solomon, Bridgestone/
Firestone's General Counsel

Union gains included the rehiring of all workers dismissed during the strike, partial back pay (\$15 million) for workers not immediately rehired after the strike ended, use of seniority as the deciding factor when workers bid on jobs and work shifts, and the restoration of the holiday schedule (11 days from 7 days) and the policy of excused absences. The union also negotiated an expiration date of April 23, 2000, which coincides with the expiration of two other major tiremakers—making it easier for the union to push for pattern terms in the industry. Other union-won gains called for a \$750 signing bonus; an immediate general wage increase of 40 cents an hour, followed by a 35-cent-an hour wage increase in September 1999; and a \$500 lump-sum bonus for workers at

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Bridgestone/Firestone's research and development center and tubing and air spring plants. The union failed to get full back pay for strikers, but defeated the company's demand for employee contributions towards health insurance premiums.

Essentially, we wore the company down.
George Becker, President of the Steelworkers

Chronology of the dispute

After the 1991 bargaining round in the rubber industry, it appeared that Bridgestone/Firestone and the United Rubber Workers were building a harmonious, cooperative relationship that would carry them through rough times. In fact the Federal Mediation and Conciliation Service—one of the Federal agencies that administers the National Labor Relations Act—presented the parties its Award for Excellence in Industrial Relations, which recognized

“ . . . their initiative and achievement in forging new relations and structures between labor and management throughout their organizations for the attainment of mutual goals in industrial relations through labor management cooperation.”

Then came a turn of events in 1994, when Bridgestone/Firestone, along with three other foreign-owned tire companies in the United States, began vigorously pushing for substantial wage and rule concessions, particularly at low-productivity plants. As a result, more than 8,000 union members walked off their jobs at the four foreign-owned manufacturers, the most pervasive Rubber Workers strike in 18 years.

The following is a chronology of the Bridgestone/Firestone bargaining, from the time formal bargaining began in March 1994 to the settlement in November 1996.

1994. The Rubber Workers and Bridgestone/Firestone began contract

negotiations on March 21. The parties held 40 bargaining sessions over the next few weeks, but negotiations faltered and were suspended on May 24. The company broke off contract talks, alleging that the union was too absorbed with ratifying an agreement at Goodyear Tire Co., another rubber company bargaining with the union at that time. Subsequent contract talks stalled when the company balked at the Rubber Workers' continued insistence on a pattern-type agreement. A company spokesperson said Bridgestone/Firestone would refuse to sign an agreement unless settlement terms addressed the company's specific needs.

Formal contract talks resumed on July 7, and the company presented the union with a proposal for settlement. The Rubber Workers rejected the proposal and notified Bridgestone/Firestone that it would terminate its day-to-day extension of their contract in 5 days unless progress was made in narrowing their differences. The union broke off negotiations on July 11, after the company floated its final offer, which the union characterized as unacceptable because it included numerous concessions: A \$5-an-hour reduction in pay for some jobs; a 30-percent cut in wage rates for new hires; a reduction in health care coverage; establishment of a \$68-a-month employee contribution towards health insurance premiums for family coverage; elimination of both supplementary unemployment and workers compensation benefits; a plan to link cost-of-living adjustment payments to productivity levels established by the company; and changes in work rules, such as running plants 7 days a week and requiring 12-hour work days without overtime. On July 12, the union struck 5 Bridgestone/Firestone plants, idling some 4,200 workers in 5 States.

On August 15, the company imposed major parts of its final contract offer. The union filed an

unfair labor practice complaint, in which it accused the company of refusing to bargain in “good faith” and implementing contract changes before an actual impasse had been reached in negotiations.

Bridgestone/Firestone began hiring permanent replacements on August 15 at three struck facilities: 50 production workers for its plant in Oklahoma City, OK; and 30 production and maintenance workers at both the Decatur, IL, and Des Moines, IA, plants. Although Bridgestone/Firestone maintained production levels at seven nonunion facilities, the company stated that it needed to hire permanent replacements to resume normal production levels at the strike-affected facilities.

In October, the company filed an unfair labor practice complaint against the Rubber Workers, alleging that the union failed to bargain in good faith and had introduced “racial and national origin prejudices” into the dispute. The Rubber Workers denied the charges.

Replacements for some strikers were hired on November 7 at the company's Noblesville, IN, plant, the last of its facilities struck by the Rubber Workers. Unlike replacements hired at the other three struck plants, these new hires would not permanently replace strikers, the company said.

1995. On January 4, Bridgestone/Firestone announced that it was hiring more than 2,000 permanent replacements for striking workers at plants in Oklahoma City, Decatur, Des Moines, and Noblesville. The company said the decision was made because it needed to resume full production and initiate 7-day-a-week production schedules at the plants. A few days later, Local 7 of the Rubber Workers, which represents about 150 workers at Bridgestone/Firestone's racing tire production and research facility in Akron, OH, broke ranks with other locals and agreed unconditionally to return to work.

In mid-January, the 6-month dispute entered a critical juncture after political leaders began putting pressure on the company. President Clinton, four U.S. Senators, the Japanese Prime Minister, and the Japanese Ambassador became involved in the dispute. The President issued a statement on January 13 saying, "(B)y bringing in permanent replacements for their workers who are on strike, while refusing to come to the bargaining table, the management of Bridgestone-Firestone is flagrantly turning its back on our tradition of peaceful collective bargaining to solve labor disputes."¹

The Rubber Workers, hoping to end its 6-month dispute with the company, proposed major concessions to the tiremaker on January 18, in the first face-to-face meetings in several months. Among these were new work schedules and employee contributions towards health insurance premiums, two key sticking points in the dispute. The union also agreed to allow the company to pay new hires 70 percent of normal base rates, with progression to full rates over 3 years; and to reduce warehouse workers' wages to \$11 an hour, although current warehouse workers' rates would be grandfathered. Bridgestone/Firestone rejected the union's proposals.

Company and union negotiators returned to the bargaining table on February 28 to try to forge a settlement. This was the first face-to-face meeting the parties held since January 18. Additional negotiating sessions were held on March 23-24 and April 7, but little progress was made in the talks.

Members of Local 713 of the Rubber Workers in Decatur agreed to end their 10-month strike against Bridgestone/Firestone, Inc. and accept the terms of the tiremaker's final offer on May 7. Roger Gates, the local's president, said that the action was not a capitulation on the part of the union, but a strategic

attempt to forestall a union decertification election, to keep the company from hiring more replacement workers, and to stop union members from crossing picket lines at the plant. According to press reports, the union was also worried about the effect of the international union's depleted strike fund on its members, who had been without paychecks for 10 months.

On May 23, the remaining strikers at Bridgestone/Firestone unconditionally agreed to return to work under terms of the imposed agreement. As in the case of the Decatur workers, the company said it intended to retain replacement workers and would study the effect of the union's offer to return to work.

Under terms of the imposed agreement, wages for most job classifications were reduced by \$5.34 an hour, to around \$12 an hour. Pay for new hires was cut 30 percent, and incentive rates were reduced. Pension benefits were frozen at their existing levels. The work schedule was amended to allow for continuous operations with 12-hour shifts, that is, 12 hours on followed by 12 hours off.

Meanwhile, on March 15, Bridgestone/Firestone, along with several other business groups, went to court to block President Clinton's executive order of March 8, which authorized the Secretary of Labor to cancel government contracts where contractors had permanently replaced lawfully striking workers, or to bar the contractors from future work. The company alleged that the executive order "has injured and will continue to injure Bridgestone/Firestone, Inc. because it forces it to surrender its lawful right to hire permanent replacements during a work stoppage. To the extent Bridgestone/Firestone, Inc. wishes to remain a government contractor, it is compelled to forfeit its right to hire permanent replacements, which has the deleterious effect of placing Bridgestone/Firestone, Inc. at a comparative disadvantage in

negotiations with its employees' union."²

On June 26, the Department of Labor notified Bridgestone/Firestone that it was investigating whether the company had permanently replaced lawfully striking employees. If Bridgestone/Firestone were found guilty, the company's Federal contracts could be terminated, and it eventually could be barred from future contracting with the Federal Government.

On July 1, the Rubber Workers merged into the United Steelworkers. Seventeen days later, the Steelworkers announced that they would begin a nationwide consumer boycott against Bridgestone/Firestone and Sears Roebuck & Co., the largest domestic retailer of the company's tires. The union said it was taking the action because Bridgestone/Firestone insisted on retaining permanent strike replacements instead of recalling some 2,000 strikers who agreed to return to work.

On Labor Day 1995, Steelworkers' members from across the country held a national protest at Bridgestone/Firestone's U.S. headquarters in Nashville, TN. Steelworkers' president George Becker, who headed the protest, castigated the company for not recalling all strikers and for refusing to agree to a new master contract that would restore workers' previous terms of employment.

Bridgestone/Firestone and the Steelworkers resumed negotiations on November 6 for the first time since the union's merger with the Rubber Workers. The parties said that they hoped to reach an agreement by mid-December.

In late November, the National Labor Relations Board announced that it intended to issue an unfair labor practice complaint against the company if a settlement was not reached soon. The Board said the complaint would allege that the tiremaker violated section 8(a) and (3) of the National Labor Relations

Act by sending letters to strikers telling them that they had been permanently replaced although there were vacancies in the strikers' job classifications, and by refusing to reinstate the strikers.

Because the parties were unable to reach an agreement by mid-December, they recessed contract talks until the first of the year.

1996. Negotiations resumed on January 4, with subsequent talks on January 5-6 and almost every day between January 15-27, at which time the company presented the

union with another contract proposal. The union abruptly broke off negotiations, claiming that the company's offer was unacceptable. That proposal would have eliminated seniority as the controlling factor in applying for jobs and shift assignments, tied wage increases to productivity gains, required employees to contribute to health care costs, established a 7-day holiday schedule set unilaterally by the company, and eliminated excused absences.

The Nation Labor Relations Board, on February 2, charged Bridgestone/Firestone with several

unfair labor practices, including eliminating accident and sickness benefits to non-striking workers, refusing to recall all strikers after the dispute ended, and discouraging union membership by employing preferential hiring. As a recourse, the Board pushed for back pay for and recall of all strikers. Seven months later, the company recalled all but 150 former strikers.

On October 31, company and union negotiators began secretive, round-the-clock bargaining sessions. Five days later, the parties signed a tentative agreement settling the 27-month long strike.

—ENDNOTES—

¹ *The New York Times*, January 14, 1995, p. A-11.

² *Daily Labor Report*, No. 55, March 16, 1995, pp. AA-1 and AA-2. (Bureau of National

Affairs, Inc.: Washington, DC.)