

**CWA D-9 AT&T West
Bargaining Bulletin 1
Wednesday February 29, 2012**

CWA District 9 began contract negotiations today with AT&T West for 17,000 core employees in California and Nevada. Negotiations also began today for 30,000 members in Connecticut- District 1, Legacy-T- Nationwide, and the Midwest- District 4.

CWA District 9 Vice President Jim Weitkamp opened negotiations in San Ramon, California. The Union Bargaining team will be chaired by Staff Representative Tom Runnion. Also present at the table will be Area Director Ellen West and elected bargaining committee members Bill Demers President Local 9400, Art Gonzalez President Local 9511, Marisa Remski Executive Vice President Local 9003 and Pam Suniga Representative Local 9416.

AT&T West is represented by Doug Flores- Chief Negotiator, and Labor Relations Representatives Jennifer Mulcahey, Joanne Chan, Tom Paholski, Jennifer Luttrell, and Kimberly Gibson- Recorder. Melba Muscarolas, Vice President Labor Relations joined the committee to give the Company's opening remarks today.

Vice President Jim Weitkamp delivered the following opening statement at the bargaining table:

**CWA/AT&T West Bargaining Opening Remarks
Jim Weitkamp, Vice President – CWA District 9
February 29, 2012**

As we open bargaining in the West, CWA understands that both the union and the company face difficult issues to resolve. Even in these difficult times of economic crisis and changes in the industry, AT&T is a very successful and profitable company. We believe that AT&T has a responsibility to help America by being a leader for economic growth, continuing to provide good, middle class jobs. This is not the time to be lowering the standard of living for employees, diminishing benefits, or putting jobs or secure retirement at risk. It is the middle class that is the engine of growth in our economy, and a strong middle class will help make companies like AT&T even more successful in the future. The American dream that built the world's first middle class created good jobs and strong communities across the country. AT&T should be helping to rebuild that American dream.

In these negotiations with we must make sure AT&T addresses our members' key issues. Perhaps the most important question is: Will AT&T work with CWA and its members as it develops strategies to meet a changing competitive and technological environment, or will it take the low road of layoffs, cost shifting, and outsourcing?

The communications industry has grown rapidly over the last decade and

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continues to grow in many areas. The landscape continues to change with major developments, like the Verizon-Cable deal, reshaping the industry. The wireless, broadband, and video segments of the industry continue to expand significantly and, thus, add significant value to the network infrastructure that our members built and maintain. In recent years, the explosion of “over the top” video services has further enhanced the value and importance of high speed wired networks. AT&T is the most successful company in the industry, in large part because it has chosen a strategy which depends upon products and technologies which can best be brought together in bundled offerings, relying on union members to provide the highest quality customer experience. This is in contrast to the low road taken by some of its competitors. A quality workforce needs quality benefits, pension, wages, and employment security.

Critical issues in this coming round of bargaining will be: reducing outsourcing and offshoring of jobs, instead providing regular full-time employment in the United States, elimination of unfair working conditions, including discriminatory and unobtainable management expectations, unrealistic work rules, unfair discipline by managers, and commission-based pay plans that ignore the delivery of top shelf customer service.

We need to improve our employment security language and work to move all employees into the main body of the CORE Agreement.

We need to protect employment by expanding opportunities to work in those areas which our members created, built and paid for that continues to grow. Our labor enables new business ventures on which ATT may embark, and we must continue to protect the benefits, pensions, and wages we have earned over many years.

Our healthcare benefits have been established through many years of deferred wages yet Member bargaining surveys reflect continued frustration when attempting to utilize the benefits that the union has negotiated in good faith. This can best be addressed by clear contract language that protects our right to utilize the benefits that we have negotiated. Our intent is that benefits, once bargained, will be available, without question, to our members.

In addition, increased health care costs have led many employers, including AT&T, to shift more and more cost to their employees. In our last round of negotiations, we made significant changes to the costs that employees paid. That, combined with significant reductions in the size of the workforce, had reduced the total health care costs that AT&T pays for employees under this contract over the last three years. We believe that this sets the stage for a different approach to health benefits in these negotiations. An approach that focuses on reducing total costs through values-based programs targeted at specific chronic conditions that account for 84% of health care spending in America. We feel strongly that this will be a more effective way to bring total costs down than more cost shifting.

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We feel so strongly, we'd be willing to bet on it.

We also need to improve the quality of benefit delivery through additional union oversight and authority over health plans, building on the mechanisms that are already in place, including arbitration.

Pensions are a critical concern in this round of bargaining, as many of our members are nearing the age of retirement eligibility. We need significant pension improvements to ensure that all of our members, regardless of their job title, can retire with dignity. The lump sum pension option is selected by the vast majority of our members when they retire. Therefore, we must continue to assure that our members can choose this option. We must be sure the savings plans offered to our members incorporate effective options and protections, which will ensure that savings are there when members retire. We must continue to guarantee retirees will have the health benefits they have earned without additional cost.

Meaningful employment security requires access to high quality job opportunities in the new communications industry, including broadband, wireless, and video. We must also eliminate obstacles that exist when exercising our rights under the employment security provisions in the contract. We need access to the jobs of the future and improved voluntary transfer rights to all entities within AT&T with seniority, benefit, and pension protection. However, increased voluntary opportunities should not in any way diminish the employment security provisions that have been negotiated over decades. The transfer systems must be strengthened to assure it provides opportunities to every employee.

We must eliminate subcontracting, outsourcing, and temporary hires as replacements for regular full-time employment opportunities.

AT&T is the largest and most profitable company in the communications industry. In 2010, AT&T recorded profits of \$19.86 billion on revenues of \$124 billion. For the twelve months ending September 30, 2011, profits of \$11.71 billion on revenues of \$126 billion.

As the dominant force in the industry, AT&T is unsurpassed in market value and revenue. AT&T's profitability and standing in the industry is a result of our hard work and productivity. We deserve our fair share in the form of a significant base wage increase for all CWA members commensurate with company profits and executive compensation.

AT&T/West has approval to offer video services to the region's customers. In addition, the increasing value of high speed broadband for "over the top" video services creates even more opportunities for providing services to customers. This should provide additional regular full-time job opportunities and allow the company to effectively compete with the cable industry and their new partner Verizon. The critical link between AT&T's strategy and its success is the workforce of CWA members.

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Hiring has been stagnant far too long resulting in onerous overtime demands on our members creating undue stress on them and their families. Elimination of such overtime would also create additional job opportunities assisting the communities we serve as well as restoring the level of quality service they have come to expect.

The misuse of performance management plans in all departments is a serious problem. Unreasonable overtime, inflexible schedules, pressure to sell, monitoring, GPS, harsh attendance and adherence policies, continue to plague our members. When attempting to resolve on the job problems through the grievance procedure, we are frustrated by delays and managers lacking the authority to resolve problems or settle grievances.

These are difficult and complex issues. Fortunately, we have an outstanding Bargaining Committee that, under Tom Runnion's leadership is experienced, dedicated, and smart. We pride ourselves as being problem solvers here in the West and have a track record to prove it. This committee is the best group of problem solvers that we have in District 9, and they have my complete confidence and support.

We also have a strong and united membership that is prepared to stand behind this bargaining committee through thick and thin. Our members will be well-informed, engaged and mobilized throughout the negotiations.

We are in tough and changing times. However, we believe that if companies like AT&T do their part by taking the high road of good middle class jobs, we can rebuild the American dream of good jobs and strong communities in the west and across the country. CWA and AT&T have a long-standing relationship. While we don't always agree, we are here, ready to roll up our sleeves and get to work at solving the problems we face together in order to negotiate a contract that moves all of us forward. Thank you.

Melba Muscarolas gave the Company's opening remarks that gave the clear indication that the Company wants major concessions in this round of bargaining. The Company is looking to make changes to the **paid absence** policy. According to Muscarolas, California employees take an average of 18 days off a year, besides the negotiated paid time off.

Medical- the Company wants employees to pay their fair share of medical costs. According to Muscarolas, there are 335,000 retirees and dependants on the **Retiree Medical** plan. Retiree Medical is not offered by their competitors. The **Pension Plan** and the **ERB** are also in their sights. *Quote, "34% of Fortune 500 Companies do not offer Pension Benefits".* A cynical example the Company used was the bottom feeding tactics that American Airlines is using to get out from under their pension obligations to their employees.

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Prem Techs and U-Verse; according to the Company the Prem Techs are not performing as well as the rest of the Nation, too many double dispatches. **Customer Service** Reps are the least competitive of all the regions. The Company is looking for more flexibility in Sales targets, monitoring and compensation.

It is clearly evident by the Companies opening remarks today that they are in a RACE to the BOTTOM!

The Committees will be meeting tomorrow to begin exchanging proposals. Your Union Bargaining Committee is relying on you to make sure you let AT&T know we are serious about bargaining a good contract. One that is reflective of the hard work and dedication and quality service you as workers have delivered and made AT&T the profitable company it is today!

Mobilize Mobilize Mobilize

FIGHTING FOR THE AMERICAN DREAM

These bargaining reports will come out on a regular basis, with the frequency dictated by the pace of bargaining.

In Unity, Your Union Bargaining Committee,
Tom Runnion
Ellen West
Bill Demers
Art Gonzalez
Marisa Remski
Pam Suniga

Silence never won rights. They are not handed down from above; they are forced by the pressure from below. Roger Baldwin

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