MOVIE, TELEVISION, COMMUNICATIONS TOP BARGAINING CALENDAR IN 2008

Contracts in the entertainment and telecommunications industries lead this year’s list of private sector bargaining ranked by workers covered, but although the numbers touched by bargaining may be relatively light, the issues promise a heavy agenda. The largest negotiations involve the Alliance of Motion Picture and Television Producers (AMPTP) with the Screen Actors Guild and the American Federation of Television and Radio Artists for some 119,000 employees in movie production. A start date for negotiations to replace the existing contracts, which expire June 30, has not yet been set.

Other major bargaining on this year’s calendar includes contracts expiring in August between Verizon Communications and two unions—the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers—covering some 75,000 workers, as well as CWA’s contract with Qwest Corp. for another 22,000 workers, which expires at the same time.

Numerous contracts between the United Food and Commercial Workers and major supermarket chains will be up for renewal throughout the year. This year’s bargaining, on behalf of some 200,000 grocery workers, will include contracts in Washington, D.C., Louisville, Kentucky, Columbus, Ohio, and Phoenix and Tucson, Arizona. Other bargaining expected to be “high profile” includes the Pacific Maritime Association’s contract with the International Longshore and Warehouse Union for some 8,000 workers on the West Coast; the Boeing Co.’s contracts with the International Association of Machinists for some 27,000 workers and with the Society of Professional Engineering Employees in Aerospace for some 30,000 workers; and the basic steel companies’ contracts with the United Steelworkers for some 35,000 workers.

The Federal Mediation and Conciliation Service (FMCS) estimates there are approximately 12,000 private sector collective bargaining agreements that expire or will be modified during 2008, covering some 3 million workers. That compares to 11,900 contracts covering 2.8 million workers that expired or were modified in 2007. Gordon Pavy, the AFL-CIO’s collective bargaining coordinator, and Scot Beckenbaugh, acting deputy director of the FMCS, both say that there are a number of first contracts expected to be negotiated this year, including contracts for thousands of in-home child care workers in New York City, Pennsylvania, Maine, and several other states, and agreements covering dealers in Atlantic City and Las Vegas casinos.

As in the past several years, the biggest issues at the bargaining table in 2008 will continue to be health care costs for both active and retired workers and pensions. Both health care and pensions will continue to be “huge issues” at the bargaining table, says Rick Bank, director of the AFL-CIO’s Center for Industry Strategies. FMCS Director Arthur Rosenfeld agrees that health care, pensions, and legacy costs will be the big issues in negotiations this year, and that the parties will be negotiating on “how you slice up what is available.”

The rising costs of health care will complicate bargaining in 2008. In September 2007, Hewitt Associates predicted employer health care costs would climb by 8.7 percent. Rising health care costs mean more employers are likely to implement health improvement and disease management programs in 2008. Bank says that with increasing health costs there has been a “steady degradation” of benefits for workers and their families. This trend is “unsustainable in preserving a decent standard of living for workers,” Bank says, adding that “there has to be a national solution.”

As in recent years, retiree health benefits will be a huge issue at the bargaining table, with employers attempting to rid themselves of this liability. More employers will try to get agreements for the types of voluntary employees’ beneficiary association (VEBA) retiree health care trust accounts that were agreed to last year in contracts between the United Auto Workers (UAW) and the Big Three automobile companies and between the United Steelworkers and Goodyear Tire, Bank predicts. Those VEBA accounts, which initially are funded by the companies, will shift responsibility for retiree benefits to a trust fund. The UAW has asked the companies to be joint trustees with the union, and if they decline the courts that approve the trusts will appoint independent trustees to administer the funds, according to Alan Reuther, UAW’s legislative director.

The ongoing threat of a recession could pose challenges that bargainers have not had to grapple with for almost seven years. Some economists believe the United States has slipped into a recession or will do so soon, although data that could show a decline in real gross domestic product or other evidence of a downturn will not become available for weeks or months.