

## Profiles of Significant Collective Bargaining Disputes in 2007

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*Originally Posted: May 22, 2008*

Twenty-one work stoppages that began in 2007 and two major work stoppages that continued from 2006 idled a total of 189,000 workers and resulted in 1.3 million workdays of idleness.<sup>1</sup> This article profiles the issues involved in the three most significant stoppages of 2007 as measured by days of idleness and number of workers involved. The three work stoppages, in total, represent nearly half (47 percent) of the workers idled and 55 percent of the days idle for all major work stoppages involving 1,000 or more workers in 2007.<sup>2</sup>

### **Alliance Of Motion Picture And Television Producers And The Writers Guild Of America East And West**

The work stoppage involving the Alliance of Motion Picture and Television Producers (AMPTP) and the Writers Guild of America East and West was the largest work stoppage in 2007 in terms of days of idleness, with 409,500 days idle during 2007. There were 10,500 workers involved in the stoppage, which lasted more than 3 months.<sup>3</sup>

The major issue between the two sides involved writer compensation and residuals--such as subsequent payments for a show that airs in syndication or is offered in Digital Video Disk (DVD) format--for projects delivered by digital media. Digital media outlets include DVD formatted releases and "new media" releases--those made available on the Internet and mobile devices. The work stoppage ceased production of all scripted television programs, and union members received significant publicity regarding their efforts to receive additional compensation from digital media sales outlets.<sup>4</sup>

The work stoppage ended on February 12, 2008, with 93 percent of union members voting to ratify the 3-year agreement, which ends May 1, 2011.<sup>5</sup> The new agreement provides Writers Guild members a larger share of compensation via digital media sources and union jurisdiction over projects created for these media. Under the agreement, writers will be paid a fixed residual of about \$1,300 for network prime-time programs streamed over the Internet. In the third year of their contract, the writers will receive 2 percent of distributor's revenue from online Web streams; this had been a major demand of the Writers Guild. Furthermore, residuals for original material produced for "new media" outlets will be paid at 1.2 percent of gross receipts after an initial exempt viewing period. Writers' minimum compensation levels will also increase at least 3 percent per year over the 3-year contract.<sup>6</sup>

### **General Motors Corporation And The United Auto Workers**

A work stoppage involving the General Motors Corporation and the United Auto Workers was the largest work stoppage in 2007 in terms of the number of workers involved. It was the second largest work stoppage in terms of days of idleness.

On September 24, 2007, a strike began that involved 74,000 United Auto Workers at General Motors nationwide. The workers went on strike over job security concerns and retiree health care costs. The strike was the first nationwide work stoppage for General Motors since 1970. The work stoppage affected 82 domestic General Motors assembly plants for 2 full days.<sup>7</sup>

On September 26, 2007, an agreement was reached on a 4-year contract, and workers returned to work the same day. The union ratified the contract in October with 65-percent approval.<sup>8</sup> Under the new contract, General Motors will establish an independent trust, called a Voluntary Employee Beneficiary Association (VEBA), to pay for retiree health care. General Motors will provide initial funding for the VEBA and make additional payments to maintain solvency, while the United Auto Workers will manage the fund. Employees will be required to make quarterly fund contributions.

General Motors also agreed to a moratorium on outsourcing positions for the duration of the contract and made commitments to building current and future cars and trucks at existing facilities. Under the new contract, wages for new non-assembly-line

employees will start at \$14 to \$16 per hour, markedly lower than those of assembly line workers, who will start at \$28.12 per hour. General Motors agreed to change 3,000 temporary workers to permanent status with full-time wages. The average hourly worker is expected to receive more than \$13,000 in additional wages during the contract period.<sup>9</sup>

### **Navistar International Truck And Engine Corporation And The United Auto Workers**

A work stoppage between Navistar International Truck and Engine Corporation and the United Auto Workers was the third largest work stoppage in 2007 in terms of idleness, with 133,200 days idle during 2007. The work stoppage began on October 23, 2007, with the union members citing job security concerns and unfair labor practices for shifting truck production both overseas and to nonunion plants in the United States.<sup>10</sup> The work stoppage involved 3,700 workers in nine production facilities in Ohio, Illinois, Indiana, Pennsylvania, Georgia, and Texas.<sup>11</sup>

The work stoppage ended on December 16, 2007, when 71 percent of union members voted to approve a new 3-year labor contract.<sup>12</sup> Under the new contract, which will expire on October 1, 2010, Navistar agreed not to outsource union positions for 3 years except by mutual agreement, but the company will have the flexibility to close one facility in case of changing business conditions. The new contract provided workers a \$2,500 lump-sum payment at ratification, a 3-percent lump-sum payment on October 1, 2008, and a 3-percent lump-sum payment on October 1, 2009. Other agreement provisions included pension upgrades, health care protections for active and retired workers, and health and safety improvements to identify and control hazards leading to work-related injuries. The United Auto Workers also agreed to drop all unfair labor practice charges previously filed with the National Labor Relations Board.

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### **Notes**

<sup>1</sup> For more information on work stoppages in 2007, see *Major Work Stoppages in 2007*, USDL 08-0202 (U.S. Department of Labor), February 13, 2008; available on the Internet at <http://www.bls.gov/news.release/pdf/wkstp.pdf>.

<sup>2</sup> For information about methodology and a glossary of terms, see "Work Stoppages: Description of Terms," on the Internet at <http://www.bls.gov/wsp/cbaws-m.htm>.

<sup>3</sup> The estimate of the number of workers includes those involved in or affected by the strike through the bargaining union. The number of work stoppage days idle is based on total Federal workdays lost in calendar year 2007. Days lost during 2008 will be accounted for in the major work stoppages estimates for 2008. Estimates of the number of union workers listed on payrolls at the time of a work stoppage are available for the most recent month in "CES Strike Report," on the Internet at <http://www.bls.gov/ces/cesstrk.htm>.

<sup>4</sup> See Michael Cieply, "Both Sides in Writers' Strike See New-Media Future at Stake," *New York Times* (online), December 1, 2007; available on the Internet at <http://www.nytimes.com/2007/12/01/business/media/01strike.html>.

<sup>5</sup> See Michael White and Andy Fixmer, "Hollywood Writers Return to Work After Ending Strike" (Update3), Bloomberg.com, February 13, 2008; available on the Internet at <http://www.bloomberg.com/apps/news?pid=20601103&sid=aKdwr9oC54WM&refer=us>.

<sup>6</sup> Details of the agreement regarding residuals for original and for re-made materials are included in "Summary of the Tentative 2008 WGA Theatrical and Television Basic Agreement," Writers Guild of America, February 12, 2008; available on the Internet at [http://www.wga.org/subpage\\_member.aspx?id=2772](http://www.wga.org/subpage_member.aspx?id=2772).

<sup>7</sup> See Sharon Silke Carty, James L. Healey, and Chris Woodyard, "UAW strike comes as a shock," *USA Today*, September 24, 2007; available on the Internet at [http://www.usatoday.com/money/autos/2007-09-24-uaw-gm\\_N.htm](http://www.usatoday.com/money/autos/2007-09-24-uaw-gm_N.htm).

<sup>8</sup> See Sharon Terlep, "GM union workers ratify pact," *The Detroit News*, October 11, 2007; available on the Internet at <http://www.detroitnews.com/apps/pbcs.dll/article?AID=/20071011/AUTO01/710110344/1361/UPDATE>.

<sup>9</sup> See Sharon Silke Carty and James L. Healey, "GM-UAW reach tentative deal; strike ends," *USA Today*, September 25, 2007; available on the Internet at [http://www.usatoday.com/money/autos/2007-09-25-uaw-wed\\_N.htm](http://www.usatoday.com/money/autos/2007-09-25-uaw-wed_N.htm).

<sup>10</sup> See "UAW Members at Indy Navistar Plant on Strike," *Indiana News*, October 24, 2007; available on the Internet at <http://www.theindychannel.com/news/14408814/detail.html>.

<sup>11</sup> See "UAW Members Ratify New Three-Year Contract With International Truck and Engine Corporation," *BNET Business Network*, December 16, 2007; available on the Internet at [http://findarticles.com/p/articles/mi\\_m0EIN/is\\_2007\\_Dec\\_16/ai\\_n21157337](http://findarticles.com/p/articles/mi_m0EIN/is_2007_Dec_16/ai_n21157337).

<sup>12</sup> United Auto Workers, News Release, Monday, December 17, 2007; available on the Internet at <http://www.uaw.org/news/newsarticle.cfm?ArtId=460>.

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