

## Profiles of Significant Collective Bargaining Disputes of 2009

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The Work Stoppages Program at the Bureau of Labor Statistics identified five major work stoppages involving 1,000 or more employees that occurred in the United States in 2009.<sup>1</sup> The five work stoppages idled 13,000 employees, for a total of 124,000 days of idleness (workdays lost), with both employee and idleness numbers having declined significantly, reaching an all-time low in 2009.<sup>2</sup> This article discusses the collective bargaining labor issues surrounding three significant work stoppages of 2009.

### **Bell Helicopter Textron Inc.**

The more than five-week work stoppage at Bell Helicopter Textron was the longest work stoppage of 2009 and involved approximately 2,500 unionized factory employees accumulating 67,500 days of idleness.<sup>3</sup> The strike began on Monday, June 15, and ended Wednesday, July 22, 2009, after the union, the United Auto Workers Local 218 (UAW) representing the manufacturing workers, approved a new 4-year contract.<sup>4</sup>

The work stoppage occurred as a result of failed negotiations during the bargaining process for a new 3-year collective bargaining agreement. In mid-June, union members rejected the initial 3-year contract because of proposed increases in medical costs and plans to outsource the work of 44 janitors. That vote led to the strike at several of the Bell Helicopters Dallas-Fort Worth area helicopter parts plants. The new contract agreed upon by the union is similar to the proposal the union had rejected; however, the ratification bonus dropped from \$4,500 to \$3,500 and the new deal is for 4 years instead of 3.<sup>5</sup> There will be no general wage increase in the first year; however, workers wages are expected to increase by 26 percent over the life of the contract, assuming a 3-percent annual rate of inflation. Cost-of-living adjustments will be based on the annual rate of inflation.<sup>6</sup> Bell Helicopter will go ahead with plans to outsource the janitors' work, but the company said it will try to offer the displaced employees other jobs.<sup>7</sup>

Workers at the plants in the Dallas-Fort Worth area produce parts, components, and assemblies for all Bell aircraft, including the V-22 Osprey and H-1 military helicopters, and for the company's civilian aircraft models. The military aircraft are assembled in Amarillo, Texas, and the civilian aircraft in Mirabel, Canada; however, the new collective bargaining agreement does not cover workers at either of these facilities.<sup>8</sup> Bell Helicopters parent company is Rhode Island-based Textron, Inc.

### **Southeastern Pennsylvania Transportation Authority**

The work stoppage began Tuesday, November 3, and ended a week later, on Monday, November 9, 2009, with members of the Transport Workers Union Local 234 (TWU)--which represents Philadelphia bus, train, and trolley operators; maintenance workers; and mechanics--striking against the Southeastern Pennsylvania Transportation Authority (SEPTA). The stoppage involved approximately 5,500 union workers and accrued 27,500 days of idleness, making this work stoppage the largest in terms of the number of employees involved.

The work stoppage was the result of failed negotiations at the bargaining table for a new 5-year contract involving SEPTA and the union.<sup>9</sup> With negotiations for a new labor contract not going well, the TWU Local 234 had threatened to strike but agreed not to disrupt the 2009 World Series that was being held in Philadelphia in early November.<sup>10</sup> TWU Local 234 began the work stoppage in the early morning hours, just a few hours after game five of the 2009 World Series wrapped up in Philadelphia and moved on to Yankee Stadium, where the remaining games were played.

SEPTAs bargaining team appeared to be close to an agreement--on November 6 and again on November 7--but in both cases, the Local 234 executive committee rejected the proposals and sent its negotiating team back to the table. The unions concern about the stability of the underfunded pension plan was a key issue during contract talks, with union leaders

reluctant to accept an increase in employee pension contributions without confidence in SEPTAs commitment to ensuring the fiscal integrity of the plan. When the union rejected a proposal that provided no wage increase in the first year, Pennsylvania Governor Edward G. Rendell (D) became involved in the negotiations and provided SEPTA with \$6 million from a State of Pennsylvania Transportation Department economic development fund to enable SEPTA to offer a \$1,250 signing bonus.<sup>11</sup>

The work stoppage ended November 9, 2009, with both sides agreeing on a new 5-year contract which would be retroactive to the March 15, 2009, expiration of the previous contract.<sup>12</sup> In addition to the \$1,250 signing bonus, the new agreement provides for across-the-board pay increases totaling 11.5 percent over the next 4 years.<sup>13</sup> According to the *Daily Labor Report*, “Bargaining unit members would continue to contribute 1 percent of their base wages toward the cost of their health care benefits. But worker contributions to the pension plan would increase from 2 percent of pay--based on a 40-hour workweek at the workers base rate--to 3.5 percent of pay.”<sup>14</sup> This increase would be phased in over the 5-year term of the agreement. Also, for workers who qualify for a full pension, the agreement provides for an 11-percent increase in the benefit.<sup>15</sup>

### University Of Illinois, Urbana-Champaign

This work stoppage involved the University of Illinois at their Urbana-Champaign campus (UIUC) and the American Federation of Teachers, Graduate Employees Organization Local 6300 (GEO) representing all teaching and graduate assistants on the UIUC campus. The stoppage lasted 2 days, from November 16 to November 17, 2009, with approximately 1,100 graduate student employees participating in the stoppage, for a total of 2,200 days of idleness. The work stoppage grew out of dissatisfaction with a number of management proposals that were strongly objected to by graduate student employees. One proposal in the contract was to have taken away tuition waivers for graduate students in a cost cutting move that angered the students.

The GEOs new collective bargaining agreement achieved gains across all four “pillars” of GEOs original contract platform as presented to the UIUC administration at the beginning of bargaining on April 21, 2009.<sup>16</sup> In addition to winning protection for tuition waivers, the GEO secured an additional 2 weeks of unpaid parental leave, increases to the Universitys contribution to health care premiums (reaching 75 percent in the third and final year of the contract), and raises on the minimum salary, totaling 10 percent over 3 years.<sup>17</sup> According to the union, the graduate students also succeeded in removing several of managements contract proposals from the new agreement that included proposals concerning firings and furloughs, “in-kind” payments (i.e., compensation in the form of housing, meal vouchers, etc.), restrictions on grievances related to discrimination, and a “scope of the agreement” clause that would have prevented the GEO from re-opening bargaining in the event of a change to employment conditions for graduate employees at UIUC.

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### Notes

<sup>1</sup> *Major Work Stoppages in 2009*, USDL-10-0170 (U.S. Department of Labor), Feb. 10, 2010, on the Internet at <http://www.bls.gov/news.release/pdf/wkstp.pdf> (accessed February 10, 2010).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> “Bell Helicopter Workers to Return After 6-week Strike,” *Star-Telegram*, on the Internet at <http://www.star-telegram.com/2009/07/22/1500740/bell-helicopter-workers-to-return.html> (accessed February 22, 2010).

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

8 “Workers reject new contract with Bell Helicopter,” Associated Press, *Google News*, on the Internet at <http://www.google.com> (accessed June 30, 2009).

9 TWU Local 234 held a similar strike with SEPTA in 2005, when the collective bargaining agreement of that same year was being negotiated.

10 “SEPTA Strike slows Philadelphia regional transit system for South Jersey commuters,” Associated Press, November 3, 2009, on the Internet at [http://www.nj.com/news/index.ssf/2009/11/septa\\_strike\\_slows\\_philadelphi.html](http://www.nj.com/news/index.ssf/2009/11/septa_strike_slows_philadelphi.html) (accessed March 4, 2010).

11 Ibid.

12 “Transportation, Philadelphia-Area Transit Workers End Walkout after Reaching Tentative Pact,” *Daily Labor Report*, on the Internet at <http://www.bna.com> (accessed November 10, 2009).

13 Ibid.

14 Ibid.

15 Ibid.

16 Graduate Employees Organization (GEO), IFT/AFT Local 6300, AFL-CIO, on the Internet at <http://www.uigeo.org/2009/11/17/major-victory-for-labor/> (accessed November 17, 2009).

17 Ibid.

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