

Profiles of Significant Collective Bargaining Disputes of 2011

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In 2011, there were 19 major work stoppages (strikes, lockouts) involving 1,000 or more employees, with 2 of the 3 largest stoppages widely considered “lockouts” by media reports.¹ A lockout is a temporary withholding or denial of employment during a labor dispute and is initiated by the management of a company. This article examines the collective bargaining issues of the three largest work stoppages of 2011 in terms of lost workdays.

Table 1. Largest work stoppages of 2011 involving 1,000 or more employees

Organizations involved and location	Beginning date	Ending date	Number of lost workdays, cumulative for this work stoppage(1)	Number of workers(2)	Days idle, cumulative for this work stoppage(3)
Verizon Communications, East Coast States, Communications Workers of America and International Brotherhood of Electrical Workers (private industry)	08-07-2011	08-20-2011	10	45,000	450,000
National Football League, Nationwide, National Football League Players Association (private industry)	03-12-2011	07-25-2011	94	1,900	178,600
American Crystal Sugar Company, MN, IA, ND, and the Bakery, Confectionery, Tobacco Workers and Grain Millers Union, Sugar Council (private industry)	08-01-2011	Ongoing	105	1,300	136,500

Footnotes:

- (1) The cumulative length of the work stoppage as measured in weekdays, Monday through Friday, excluding weekends and Federal holidays.
- (2) The BLS rounds figures to the nearest 100. Companies and unions may have rounded the figures before providing BLS the data.
- (3) Cumulative days idle is measured by multiplying the cumulative number of lost workdays by the number of workers involved in the work stoppage.

The National Football League And The National Football League Players Association

In the spring of 2011, the National Football League (NFL), according to media reports, “locked out” 1,900 of its professional football players in what became the longest work stoppage in NFL history, lasting for 94 days.² The lockout began on March 12, 2011, and came to an end on July 25, 2011, accruing 178,600 days of idleness.³

The original 1993 NFL collective bargaining agreement (CBA) with the members of the National Football League Players Association (NFLPA) had been extended in 2006, and that extension expired in 2011, as negotiations between the two parties fell apart. The extension was designed to last longer, but the owners unanimously agreed in 2008 to opt out of the collective bargaining agreement early. According to sports writer Justin Doubleday, many of the owners felt that the 1993 agreement unfairly favored the players.⁴

The NFL players decertified their union on March 11, 2011, and 10 NFLPA players, including New England Patriots Tom Brady and Logan Mankins, as well as former Indianapolis Colts quarterback Peyton Manning, filed an antitrust lawsuit against the NFL. In response, the NFL owners “locked out” the players from their facilities at midnight on March 11, which led to the first NFL work stoppage since 1987. As Doubleday explains, the lockout “meant that players could not be in contact with their teams in any way and players could not be traded or signed. The NFL draft was still allowed to happen in April, but teams could only trade picks, not players. And even if a player was drafted, he could not be signed by the team until the lockout ended.”

Negotiations continued between the two sides into the summer of 2011, and, in late July, both sides announced that they had reached an agreement. The new CBA, which became official on August 5, 2011, and will remain in effect for the next 10 years, outlined how the approximately \$9 billion in annual NFL revenues is to be divided, with about 53 percent going to the NFL team owners and 47 percent going to the players. (Under the previous agreement, there was nearly a 50-50 split.)⁵ Additionally, the dollar amount that a club can spend on salaries (salary cap) was cut back to about \$120 million, down from \$128 million in 2009. Teams will have a certain number of exemptions that they can use for the next several years during the transition period.⁶

One “victory” for the football players, according to Doubleday, is an “increase in the minimum salary structure” of 10 to 12 percent under the new agreement.⁷ Other gains for the NFL players include limiting on-field practice time and contact in both the preseason and regular season and increasing the number of days off for players.⁸

The new agreement includes increased health benefits for the players that give current players the opportunity to remain in the player medical plan for life, as well as an “enhanced injury protection benefit of up to \$1 million of a player’s salary for the contract year after his injury and up to \$500,000 in the second year after his injury.” Retired NFL players will also see an increase in benefits over the next 10 years, with “additional funding for retiree benefits of between \$900 million and \$1 billion, with \$620 million going to create a ‘Legacy Fund’ for providing increased pensions for players who retired before 1993.”⁹

The new 10-year collective bargaining agreement signed by the NFL owners and players is set to remain in effect through the 2020 season, including the 2021 draft.

American Crystal Sugar Company And The Bakery, Confectionery, Tobacco Workers And Grain Millers Union

About 1,300 sugar beet workers at plants in Minnesota, Iowa, and North Dakota have reportedly been “locked out” by their employer, American Crystal Sugar Company, since August 1, 2011, accumulating 136,500 days of idleness in 2011.¹⁰ American Crystal is the largest sugar beet processor in the United States and has plants in Moorhead, East Grand Forks, Crookston, and Chaska, Minnesota; Hillsboro and Drayton, North Dakota; and Mason City, Iowa.¹¹ The 1,300 workers are represented by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, Local 167G.

The sugar beet processing plant employees voted in July 2011 “by a 96 percent margin to reject the company’s offer for a new contract that would have sharply reduced benefits and job security,” according to one report. Upon expiration of the old collective bargaining agreement on August 1, 2011, the sugar workers were prohibited from entering their usual workplaces and the lockout began. According to the same report, American Crystal Sugar “wants the ability to replace union workers with contract workers, to dismantle seniority, to redefine which workers are ‘year-round’ and entitled to full benefits, and to lower its health care costs for union workers to that of its nonunion workers.”¹² The company offered a pay increase of 13 percent over 5 years, plus a \$2,000 signing bonus,¹³ but this offer, according to the union, “would be more than neutralized by the increased health care costs shifted” to the employees in the proposed CBA.¹⁴

The sugar beet crop set records in 2010, bringing in \$1.5 billion in revenue and about \$800 million in profits for American Crystal and its 2,800 farmer shareholders. American Crystal Sugar President David Berg said that the shareholders are in agreement that the cost of a union lockout is worth it, citing the financial benefits of the company’s long-run strategy of cutting its labor costs.¹⁵

By December 5, 2011, the lockout had still not ended, and Minnesota Governor Mark Dayton stepped in and offered to help end the work stoppage.¹⁶ Despite the governor's efforts, however, the lockout continued through the end of 2011. When this article was published, in March 2012, the lockout was still ongoing.

Verizon Communications, Communications Workers Of America And The International Brotherhood Of Electrical Workers

About 45,000 employees of Verizon Communications on the East Coast, from Massachusetts to Virginia, went on strike August 7, 2011, after their collective bargaining agreement expired. The work stoppage ended on August 20, 2011, totaling 10 days on strike and accumulating 450,000 days of idleness, making this strike the largest work stoppage of 2011 in terms of the number of workers involved and the total number of days of idleness.

Labor reporter Juan Gonzalez writes, "Union leaders say they never intended a long walkout." The unions agreed to end their work stoppage because they said Verizon "finally showed a willingness to resume good-faith bargaining."¹⁷ The union contends that despite billions in profits and hundreds of millions paid out in executive compensation, Verizon is "squeezing the middle class in an endless push toward low wages and no benefits."¹⁸ The unions say that Verizon has pushed proposals that would let them outsource more jobs, including "sending thousands of American jobs overseas." In addition, they say, Verizon "wants to gut retirement security, health care and other benefits for employees, retirees, and even workers who get hurt on the job."¹⁹ The company is also asking the unions to accept numerous concessions, such as a freeze on pensions, fewer sick leave days, and a larger contribution from workers toward their healthcare coverage.²⁰

According to Fortune, in an article examining the potential costs of the dispute, "the gradual obsolescence of the [landline] phone network is going to be brutal for both Verizon and unions representing communications workers. Neither side can do anything to halt the march of technology, which is inexorably replacing old landlines with cell phones and calling services like Skype."²¹

When this article was published, in March 2012, both Verizon and the unions were continuing to negotiate, and the company is operational despite the lack of a new collective bargaining agreement.

Conclusion

In 2011, there were 19 major work stoppages in the United States involving 1,000 or more employees. These include the NFL lockout of its professional players and the American Crystal Sugar Company locking out its sugar processing plant employees. The National Basketball Association (NBA) also locked out its professional players in the latter months of 2011; however, this lockout was not included in 2011 [Work Stoppages](#) data because the NBA lockout involved fewer than 1,000 employees. For more information, see [Major Work Stoppages in 2011](#), news release USDL-12-0215.

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Notes

¹ These data are from the BLS [Work Stoppages](#) program. Because of the complexity of most labor-management disputes, the BLS does not distinguish between strikes and lockouts in the major work stoppages data. For more information, see [Major Work Stoppages in 2011](#), news release USDL-12-0215 (U.S. Bureau of Labor Statistics, February 8, 2011), table 2, "Work stoppages involving 1,000 or more workers beginning in 2011," <http://www.bls.gov/news.release/pdf/wkstp.pdf>. The dispute between the NFL Players Association and the NFL owners, discussed below, was consistently referred to as a "lockout," with the players being locked out of their team facilities for the duration of the dispute. See Justin Doubleday, "Top Stories of 2011, No. 9: NFL Lockout," *WEEI.com Blog Network*, WEEI Boston Sports Radio website, December 23, 2011, <http://leeinks.weei.com/sports/2011/12/23/top-stories-of-2011-no-9-nfl-lockout>; Mark Maske, "NFL Lockout: Some Questions and Answers," *Washington Post*, April 13, 2011, http://www.washingtonpost.com/sports/nfl/nfl-lockout-some-questions-and-answers/2011/04/13/AF94JpYD_story.html; and Judy Battista, "As the Lockout Ends, the Scrambling Begins," *New York Times*, July 25, 2011, http://www.nytimes.com/2011/07/26/sports/football/NFL-Union-Labor-Deal.html?_r=2&pagewanted=all. The ongoing dispute between American Crystal Sugar Company and the Bakery, Confectionery, Tobacco Workers and Grain Millers Union, also discussed below, began in early August 2011 when officials from Crystal Sugar "barred about 1300 [unionized] workers from five sugar beet processing plants" in

Minnesota, North Dakota, and Iowa. See Dan Gunderson, “After More Failed Talks, Crystal Sugar Says ‘Window Is Closing,’” *MPR News*, Minnesota Public Radio website, January 31, 2012, <http://minnesota.publicradio.org/display/web/2012/01/31/american-crystal-sugar-failed-talks-window-closing/>. For an article on company lockouts in general, including a discussion of the American Crystal Sugar dispute, see Steven Greenhouse, “More Lockouts as Companies Battle Unions,” *New York Times*, January 22, 2012, <http://www.nytimes.com/2012/01/23/business/lockouts-once-rare-put-workers-on-the-defensive.html?pagewanted=all>.

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3 *Major Work Stoppages in 2011*, news release USDL-12-0215, table 2.

4 Doubleday, “Top Stories of 2011, No. 9: NFL Lockout,” December 23, 2011.

5 Sean Gregory, “The End of the NFL Lockout: What Each Side Got,” Keeping Score: Where Sports Is Always on the Mind (blog on Time.com), July 25, 2011, <http://newsfeed.time.com/2011/07/25/the-end-of-the-nfl-lockout-what-each-side-got/#ixzz1iil5mcjW>.

6 Doubleday, “Top Stories of 2011, No. 9: NFL Lockout,” December 23, 2011; and “NFL Clubs Approve Comprehensive Agreement,” *NFL Communications*, July 21, 2011, <http://nflcommunications.com/2011/07/21/nfl-clubs-approve-comprehensive-agreement/>.

7 Doubleday, “Top Stories of 2011, No. 9: NFL Lockout,” December 23, 2011.

8 “NFL Clubs Approve Comprehensive Agreement,” *NFL Communications*, July 21, 2011.

9 Ibid.

10 Michael Stapleton, “Lockout Continues at American Crystal Sugar Company,” *World Socialist Website*, August 27, 2011, <http://www.wsws.org/articles/2011/aug2011/crys-a27.shtml>; see also, Gunderson, “After More Failed Talks, Crystal Sugar Says ‘Window Is Closing,’” January 31, 2012; and *Major Work Stoppages in 2011*, news release USDL-12-0215, table 2.

11 Stapleton, “Lockout Continues at American Crystal Sugar Company,” August 27, 2011.

12 Ibid.

13 “Crystal Sugar Workers Reject Contract,” *Business News*, UPI.com, July 31, 2011, http://www.upi.com/Business_News/2011/07/31/Crystal-Sugar-workers-reject-contract/UPI-89441312155560/.

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16 “Minnesota Governor Pledges to Help End the American Crystal Lockout,” the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union website, December 5, 2011, <http://bctgm.org/2011/12/minnesota-governor-pledges-to-help-end-the-american-crystal-lockout/>. See also, Mark Dayton, Governor of Minnesota, to Mark Froemke, Western Minnesota Area Labor Council, AFL—CIO, and David Berg, President, American Crystal Sugar, letter, December 5, 2011, <http://bctgm.org/PDFs/GovDaytonLtr.pdf>.

17 Juan Gonzalez, “Decision to End Verizon Strike Baffled Many Members, Supporters” *New York Daily News*, Wednesday, August 24, 2011, http://articles.nydailynews.com/2011-08-24/news/29939658_1_cwa-15-day-strike-striking-unions.

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