

TELECOMM

The Future Is Looking UP

The news in the media about the telecommunications industry focuses on mergers. The IBEW reads between the lines and sees potential job growth and organizing.

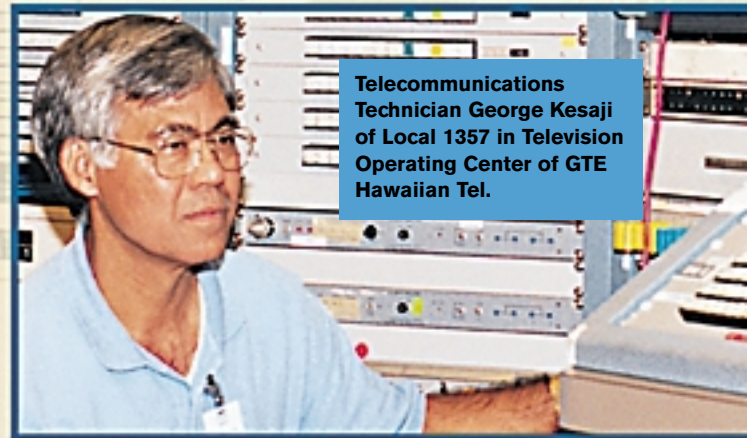
The structure of the now-global telecommunications industry continues to shift and change with the current major trend toward mergers and acquisitions among national and international telecom giants.

The restructuring of the U.S. telecommunications industry began with the 1981 breakup of AT&T and has continued with the 1996 Telecommunications Act, designed to spur competition in the industry [See "Telecommunications: A Break in the Turmoil?" *IBEW Journal*, September 1998]. Now, the competitive drive involves the race to provide customers with a range of "bundled" communication services, including local, long-distance and wireless phone service as well as cable TV and high-speed links to the Internet. In order to be able to provide this broad range of services, the industry players are consolidating.

With their competitors growing in size, more and more telecom companies are seeking to become ever larger in order to have the resources to compete in the international economy. Two European telecom companies—Germany's Deutsche Telekom AG and Italy's Telecom Italia SpA—recently announced a proposed merger that would create the world's second-largest telecommunications company (Japan's Nippon Telephone & Telegraph is the largest). *The Wall Street Journal* reported that if this merger takes place, it would be one of the biggest in history and is "intended to create a European telecommunications powerhouse to counter the might of U.S. phone giants aggressively expanding overseas."

In this climate of mergers and global competition, the IBEW Telecommunications

Branch is focusing on opportunities to increase job and membership growth for the union. Whereas industry developments of the 1980s brought the loss of thousands of jobs and much uncertainty for union members, the mergers now taking place could translate into opportunities to organize currently unrepre-



Telecommunications Technician George Kesaji of Local 1357 in Television Operating Center of GTE Hawaiian Tel.

sented telecom industry employees, including those in subsidiaries owned by the corporate giants. When nonunion businesses merge with unionized companies, the employee base grows and with it the potential for thousands of new workers to secure the benefits of union membership. As another key part of the equation, the IBEW is committed to an increased emphasis on education and training opportunities that will allow telecom members to acquire the portable, high-tech skills that are the only basis of job security in the ever-changing industry.

Four major telecommunications industry mergers (three in the United States and one in Canada) that directly affect IBEW members are:

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- AT&T Corp.—Tele-Communications Inc. (TCI)
- GTE Corp.—Bell Atlantic Corp.
- BC TELECOM Inc.—TELUS Corp.
- Ameritech—SBC Communications Inc.

AT&T Acquisition of Cable TV Company TCI

A merger with major significance for the IBEW is that of long-distance giant AT&T and cable television company Tele-Communica-

chairs by Telecommunications Department Director William Davis and Special Projects Director Gary Heald. IBEW Districts are in the process of assigning local unions to each TCI work site location to assist in the campaign, and International President J. J. Barry indicated that he has already “sent a letter to AT&T requesting bargaining for our TCI members under System Council T-3.” President Barry said, “It will take all of us working together,

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Below, Operators Lori Okamoto (front) and Lei Kama, members of Local 1357 at GTE Hawaiian Tel .



tions Inc. (TCI). Earlier this year, AT&T closed its \$48 billion purchase of Colorado-based TCI, the country's second largest cable services provider. With this acquisition, AT&T is positioning itself to offer a full range of services, including local telephone service, in major markets throughout the United States.

This merger provides a major organizing opportunity for the IBEW—given the fact that some 25,000 nonunion workers previously with TCI are now AT&T employees. Approximately 90 percent of 54,000 union eligible workers at AT&T are union members, while only about 3 percent of TCI employees were represented by a union.

To meet this challenge, the IBEW is conducting a national organizing campaign co-

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Members of Local 824, Tampa, Florida, at work for GTE are left to right, Mike Wells, Qubit "Bubba" Jackson, Wayne Butler, Mike Mc Leod and John Newman.

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including membership involvement, to crack this tough nut."

The foresight of the IBEW in negotiating a neutrality clause in organizing campaigns as part of the 1998 collective bargaining agreement with AT&T may make that nut easier to crack. As reported previously in the *IBEW Journal*, the 1998 AT&T four-year contract agreement with the IBEW and CWA provides for "immediate consent elections overseen by an impartial umpire for unorganized units at AT&T Wireless, Solutions and all future acquisitions, including Teleport and TCI..." [See previously cited *Journal* article of September 1998]. Employer neutrality in campaigns to organize the cable side of AT&T would be in sharp contrast to TCI's virulent resistance to organizing when it was a separate company.

In a related development, the media have reported that AT&T offered a surprise \$58 billion bid to buy another cable TV giant, MediaOne Group Inc. The acquisition of MediaOne (the nation's fourth largest cable company) would give AT&T a presence in nearly every major consumer telecommunications segment: cable TV, wireless and long-distance phone service and high-speed links to the Internet.

The IBEW is optimistic that the AT&T pact and the merger could provide important entry into the lightly unionized cable sector. Thus far, the cable industry

has limited union membership to about 5 percent of eligible workers, but with the success of organizing campaigns, union membership in the cable industry could increase exponentially in the future.

GTE—Bell Atlantic Merger

In July 1998, GTE Corp. and Bell Atlantic Corp. agreed to a \$53 billion stock-swap deal in a proposed merger that would create one of the world's largest telephone companies. The transaction is expected to be completed in the second half of 1999.

Bell Atlantic (itself the product of a merger with Nynex) is the largest local phone company in the United States. It dominates local telephone services from Maine to Virginia and has 40 million phone lines in 13 states in the Northeast and mid-Atlantic regions. The company provides wireline and wireless communications and information services.

GTE provides both long-distance and local service throughout the United States. It sells long-distance service in all 50 U.S. states. It is the third largest local provider in the United States, after Bell Atlantic and SBC Communications. Its 21 million local customers in 28 states are mostly in less-populated rural and suburban areas. GTE also provides cellular service, Internet access, government and defense communications systems and equipment, aircraft passenger telecommunications, and directory and information services. Out-

side the United States, the company serves more than 8 million customers.

The GTE—Bell Atlantic merger—which will provide Bell Atlantic with an entrance to the long-distance market in the GTE areas—is another in a series of industry transactions that will transform the way telecom companies market communications services, from Internet access to local phone service.

In 1998, the IBEW and the Communications Workers of America (CWA) entered a unique and innovative working partnership with GTE, the intent of which is to increase IBEW and CWA participation in GTE's decision-making process. The parties are continuing the program at the former GTE properties, but it is still unclear how the partnership will be implemented at the Bell Atlantic work sites.

In Canada BCTEL and TELUS Merge

Another industry development of immense importance for the IBEW is a telecom merger now underway in Canada. Alberta-based TELUS Corp., Canada's third largest telecommunications company, is in the process of a merger with British Columbia-based BC TELECOM Inc. (BCTEL), the country's second largest telecom company.

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BCTEL is the largest provider of local and long-distance services in British Columbia and offers wireless, high-speed data, Internet access and computer support systems. TELUS provides Albertans with local and long-distance phone service, wireless, data and Internet access, and multimedia and advertising services.

IBEW Local 348 in Calgary, Alberta, represents 6,175 workers at TELUS Corp., which constitutes the vast majority of the work force. But the 10,500 union workers at BCTEL are represented mostly by the unaffiliated Telecommunications Workers Union (TWU). The Canada Labour Relations Board (CLRB) is expected to order a representation election for the employees of the newly merged company to allow the workers to select a union to represent them.

Telecommunications Department Director Davis said, "The IBEW and Local 348 are in a battle to keep the people we represent at TELUS and gain representation of the 17,800 employees of the combined companies." The representation election is expected to take place within the year.

International President Barry has indicated that "the merger and the organizing campaign are a major focus for the IBEW. The bottom line is we will end up with 15,000 to 17,000 telecommunications members at the new company, or lose our current members at the TELUS unit."

Significantly, BCTEL is a subsidiary of GTE. Therefore, the IBEW'S partnership with GTE in the United States could be of help in protecting the interests of IBEW members affected by the merger of TELUS and BCTEL.

From the IBEW First District, International Reps Christine Pynaker and Wayne Brazeau are coordinating strategic planning meetings for the organizing campaign, and all the IBEW locals in the region are assisting. Committing resources and manpower to assist Local 348 Business Manager Mike Semeniuk in the effort are the following large western IBEW local unions: Locals 213 and 258, Vancouver, BC; Local 424, Edmonton, AB; and Local 254, Calgary, AB.

"Winning will not be easy," President Barry said, "but if the IBEW succeeds in gaining the vote, the Brotherhood will increase its membership by 11,000 and become the dominant telecom union in western Canada."


Ameritech—SBC Merger

In May 1998, Chicago-based Ameritech and Texas-based SBC Communications Inc. proposed a merger that would create a combined national and local phone company serving the top 50 markets in the United States. Both Ameritech and SBC are Regional Bell Operating Companies. The \$62 billion deal is expected to be completed this year.

Ameritech provides communications and information services to U.S. customers in the Midwest and to customers overseas. SBC provides telecom services throughout the United States and holds investments in telecom businesses in ten countries. In October 1998 SBC merged with Southern New England Telecommunications Corp. Through its subsidiaries, SBC offers local and long-distance phone service, wireless communications, Internet access, telecommunications equipment, and directory publishing. SBC previously bought Pacific Bell, another regional carrier, and this Ameritech-SBC merger would create the largest Regional Bell Operating Company. Employer neu-

trality provisions in the contracts with SBC and Ameritech should provide both the IBEW and the CWA with opportunities to organize unrepresented units at the new company without undue management interference.

Local 21, Downers Grove, Illinois, represents telecommunications workers at Ameritech. Consisting of the locals that previously formed IBEW System Council T-4, Local 21 was chartered in September 1998 and is the fourth largest IBEW local in the United States. Its 14,000 members are chiefly employed in telecommunications and cable TV in Illinois and Northwestern Indiana. As reported previously, Local 21 is aggressively organizing Ameritech subsidiaries in Illinois.

The picture emerging from this array of mergers, then, is one that fosters optimism for the future of the IBEW in telecommunications. As President Barry told the delegates to the 1999 Telecommunications Conference in Savannah, Georgia, on May 5: "It will take time and resources, but most of all it will take a united IBEW working toward the common goal of resurgence in this industry. If we organize, continue to increase our voice in the workplace, and stress training and education, we will be a force to be reckoned with in the world of telecommunications." 



Beth Lewis of Local 824 at GTE Public Access Division in Florida.