

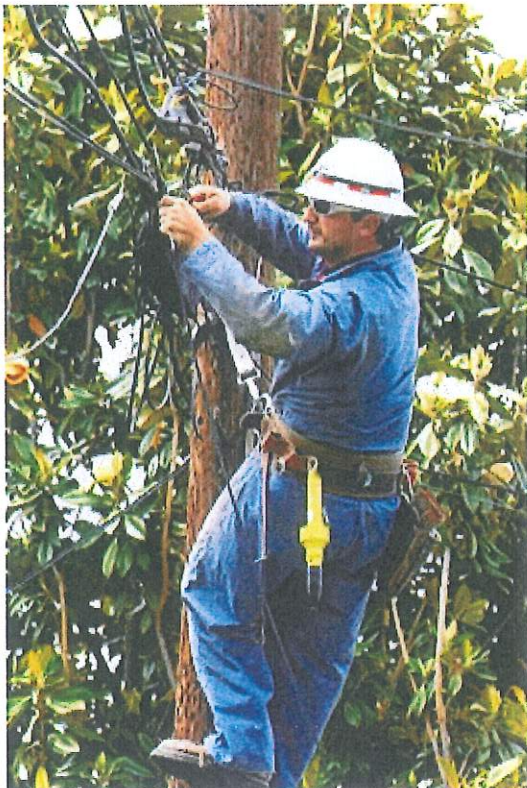
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Verizon, Union Far Apart in Talks

By GREG BENSINGER

As a contract with **Verizon Communications Inc.**'s unionized workers is set to expire this Saturday at midnight, the two sides remain far apart, potentially setting the stage for the first strike in 11 years as Verizon seeks some of the biggest concessions in years from its unions.

CWA Local 1103 President Joseph Barca, who represents about 1,000 Verizon workers near Port Chester, N.Y., said he believes workers are headed for a strike unless there is a major change in the tone of negotiations.



The Orange County Register/Zuma Press

A labor pact with Verizon workers expires on Saturday. Above, a Verizon field technician at work in June.

"I don't remember us ever being this far apart," said Mr. Barca, a 42-year veteran of the company. "This feels a lot like 2000 and that was terrible." In 2000, the last time workers went on strike, more than 86,000 unionized telecom workers walked off the job for 18 days.

However, if the recent past is any guide, a deal could be struck soon after the contract expires, as the two sides extend negotiations beyond the deadline until an accord can be reached.

In 2008 and 2003, the last times that a labor contract was up for renegotiation, Verizon and its unions negotiated beyond the contracts' expiration while workers labored without a contract. The 2008 negotiations were extended eight days, while the 2003 talks went 33 days over.

The contracts cover 45,000 Verizon workers in the Mid-Atlantic and Northeast regions. The vast majority of them serve as field technicians or in call centers in the so-called wireline side of the business. The wireline business faces continuing revenue declines as cable companies

poach landline customers and consumers switch to cellphones. A strike could hurt Verizon's business, delaying service work on its FiOS television unit, and Internet and phone lines.

To deal with the wireline weakness, Verizon wants to tie pay increases more closely to job performance, make it easier to fire workers for cause, halt pension accruals this year, and require union workers to contribute to health-plan premiums. The company's push for concessions follows rollbacks of union benefits in the airline, auto and municipal work forces.

"Verizon continues to negotiate in good faith to reach a final agreement that balances the needs of all parties, and we are confident we can achieve that," said Verizon spokesman Peter Thonis.

Officials of the Communications Workers of America and the International Brotherhood of Electrical Workers, meanwhile, contend the proposed cuts are meant to lessen the unions' power and point out that the company remains profitable.

"It's our impression that Verizon is trying to use this moment to destroy the living standards of our members," said Bob Master, a CWA legislative and political director. He said leaders could call for a walkout of Verizon's unionized members as soon as 12:01 a.m. on Sunday.

Verizon's wireline unit reported a 1.2% drop in revenue to \$20.4 billion in this year's first six months, while revenue at its wireless business, co-owned by Vodafone Group PLC, increased 10% for the same period. The New York-based company posted a \$3.0 billion profit in the first six months.

The wireline business is likely to continue contracting as more consumers opt for smartphones, said Todd Rethemeier, a Hudson Square Research analyst. "It's clear that wireline won't ever get back to where it's a growing business," he said.

Corrections & Amplifications

Verizon posted a \$3.0 billion profit in this year's first six months. An earlier version of this article incorrectly said the company posted a \$6.9 billion profit in the first six months.